

**CASE**

**NUMBER:**

99-114

IN THE MATTER OF THE ALTERNATIVE RATE FILING OF BIG BEAR  
WASTEWATER, INC.

SEQ NBR	ENTRY DATE	REMARKS
0001	03/23/1999	Application.
0002	03/25/1999	Acknowledgement letter.
0003	04/12/1999	Def. letter, info due 4/27
M0001	04/19/1999	BIG BEAR WASTEWATER INC-COPY OF PUBLIC NOTICE FOR FILING DEFICIENCIES
0004	04/26/1999	Letter requesting statement that customers have been notified due.
0005	05/07/1999	Deficiency cure letter.
M0002	05/12/1999	JOHN DAVID MYLES DENS CONDOMINIUM-REQUEST FOR INTERVENTION
0006	05/19/1999	Order granting The Dens full intervention.
0007	06/03/1999	Order requiring staff report or request for hearing or IC due 6/14.
M0003	06/14/1999	JOHN STRATMAN/DENS CONDO. ASSOC.-REQUEST FOR AN INFORMAL CONFERENCE OR A FORMAL HEARING.
0008	06/28/1999	Order scheduling 7/15 informal conference
M0004	07/09/1999	JOHN MYLES DENS CONDOMINIUM-MOTION SEEKING POSTPONMENT OF INFORMAL CONFERENCE FOR JULY 15,9
0009	07/14/1999	Order rescheduling IC for 7/27/99 at 9:00 in Conference Room 2.
M0005	07/14/1999	GEORGE SEAY BIG BEAR WASTEWATER-NOTICE OF ENTRY OF APPEARANCE & RESPONSE TO MOTION TO RESCH
0010	07/22/1999	Order rescheduling 7/27 informal conference to 8/10
M0006	08/03/1999	JOHN DAVID MYLES / DENS CONDOMINIUM-INFORMATION REQUEST TO BIG BEAR WASTEWATER
M0008	08/06/1999	GEORGE L. SEAY, JR/COMPANY COUNSEL-OBJECTION TO PRODUCTION REQUEST & MOTION FOR PROTECTION O
M0009	08/09/1999	GEORGE L. SEAY, JR/COMPANY COUNSEL-2ND FILING OF OBJECTION TO PRODUCTION REQUEST & MOTION F
M0007	08/10/1999	J D MYLES DENS CONDOMINIUM-RESPONSE TO OBJECTION TO PRODUCTION REQ & MOTION FOR PROTECTION
0011	08/30/1999	Informal Conference Memorandum
M0010	09/10/1999	BIG BEAR WASTEWATER PENNY WARREN-COMMENTS ON INFORMAL CONFERENCE ISSUES
0012	10/25/1999	Order entered; info due 11/4 from Big Bear; info due 11/15 from the Dens
M0011	11/01/1999	BIG BEAR WASTEWATER RHONDA BRANDOS-RESPONSE TO REQUEST FOR INFO
M0012	11/08/1999	J D MYLES DENS CONDOMINIUM ASSOC-COMMENTS ON INFORMAL CONFERENCE MEMO & COMMENTS OF BIG BEA
M0013	11/16/1999	GEORGE SEAY BIG BEAR WASTEWATER-RESPONSE TO NEW CLAIM ASSERTED BY DENS CONDOMINIUM
0013	01/13/2000	Amended Staff Report, comments or request for hearing due 1/24/2000.
M0014	02/07/2000	JANET CALDEMEYER BIG BEAR WASTEWATER-INFORMATION TO CONTINUE WITH THE RATES
0014	02/10/2000	FINAL ORDER APPROVING RATES



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
211 SOWER BOULEVARD  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 1999-114  
BIG BEAR WASTEWATER, INC.

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on February 10, 2000.

See attached parties of record.

*Stephanie D. Bell*

Secretary of the Commission

SB/sa  
Enclosure

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY. 42025

Honorable John David Myles  
Counsel for The Dens Condominium  
413 Sixth Street  
Shelbyville, KY. 40065

Hon. George L. Seay,  
Counsel for Big Bear Wastewater  
WYATT, TARRANT & COMBS  
Taylor-Scott Building  
311 West Main Street  
Frankfort, KY. 40601 1807

Hon. Penny R. Warren  
Counsel for Big Bear Wastewater  
WYATT, TARRANT & COMBS  
250 West Main Street, Suite 1700  
Lexington, KY. 40507 1746

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG BEAR WASTEWATER, )  
INC. FOR A RATE ADJUSTMENT PURSUANT TO ) CASE NO.  
THE ALTERNATIVE RATE FILING PROCEDURE ) 99-114  
FOR SMALL UTILITIES )

ORDER

On April 19, 1999, Big Bear Wastewater, Inc. ("Big Bear") filed its application for Commission approval of proposed sewer rates that would generate additional annual revenues of \$5,349, an increase of 22 percent above normalized operating revenues.

On June 3, 1999, the Commission published a report of Commission Staff's findings and recommendations regarding Big Bear's proposed rate adjustment. In its report, Commission Staff recommended approval of Big Bear's proposed rate increase. On that same day, the Commission directed all parties of record to file any written comments regarding the Staff Report or any requests for a hearing or informal conference within 10 days.

On June 14, 1999, the Commission received a request for an informal conference from The Dens Condominium Association, an intervenor in the case. A conference was held on August 30, 1999. At the conference it was agreed that both parties would file additional information. The Commission received the last of the additional information on November 16, 1999.

After reviewing the additional information Staff prepared an amended report that was issued by the Commission on January 13, 2000. The amended report

recommended that Big Bear be allowed to increase its rates to produce additional annual revenue of \$714 or 2.94 percent over normalized revenues. All parties had 10 days to respond to the amended report. On January 20, 2000, the Commission received a response from Big Bear accepting the amended rate. As of the date of this Order no other responses have been filed.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. After careful review and examination of the Staff Reports, the Commission finds that the recommendations in the original Staff Report, as revised by the Amended Staff Report, will allow Big Bear sufficient revenues to meet its operating expenses and provide for future equity growth. The Commission therefore accepts the recommendations contained in the original Staff Report as amended by the Amended Staff Report. The recommendations and findings contained in the original Staff Report, including the modifications thereto in the Amended Staff Report, should be adopted as the findings of the Commission in this proceeding.

2. The rates in Appendix A will produce annual revenue from sewer service of \$25,022.00.

IT IS THEREFORE ORDERED that:

1. The recommendations and findings contained in the original Staff Report, including the modifications thereto in the Amended Staff Report, are adopted as the findings of the Commission in this proceeding and incorporated by reference into this Order as if fully set out herein.

2. The rates proposed by Big Bear will produce revenues greater than those found reasonable herein and are denied.

3. The rates in Appendix A are approved for service rendered by Big Bear on and after the date of this Order.

4. Within 30 days of the date of this Order, Big Bear shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 10th day of February, 2000.

By the Commission

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 99-114 DATED FEBRUARY 10, 2000

The following rates and charges are prescribed for the customers in the area served by Big Bear Wastewater, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly flat rate sewer fee

\$30.37



*Carry  
Dennis*

**BIG BEAR WASTEWATER, INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025  
270-354-6414**

RECEIVED

FEB 07 2000

PUBLIC SERVICE  
COMMISSION

RECEIVED

JAN 20 2000

PSC  
FINANCIAL ANALYSIS

January 20, 00

Public Service Commission  
730 Schemkel Road  
PO Box 615  
Frankfort, KY 40602

RE: CASE 1999-114

To Whom It May Concern:

Go with the proposed rate, my time is too valuable to mess with this.

*[Handwritten Signature]*  
M. Janet Caldemeyer  
Vice President



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

January 13, 2000

To: All parties of record

RE: Case No. 1999-114

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie J. Bell".

Stephanie Bell  
Secretary of the Commission

SB/sh  
Enclosure

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY 42025

Honorable John David Myles  
Counsel for The Dens Condominium  
413 Sixth Street  
Shelbyville, KY 40065

Hon. George L. Seay,  
Counsel for Big Bear Wastewater  
WYATT, TARRANT & COMBS  
Taylor-Scott Building  
311 West Main Street  
Frankfort, KY 40601 1807

Hon. Penny R. Warren  
Counsel for Big Bear Wastewater  
WYATT, TARRANT & COMBS  
250 West Main Street, Suite 1700  
Lexington, KY 40507 1746

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG BEAR WASTEWATER, )  
INC. FOR A RATE ADJUSTMENT PURSUANT TO ) CASE NO.  
THE ALTERNATIVE RATE FILING PROCEDURE ) 99-114  
FOR SMALL UTILITIES )

ORDER

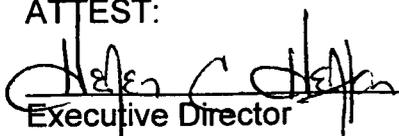
On April 19, 1999, Big Bear Wastewater, Inc. ("Big Bear") filed its application for Commission approval of proposed sewer rates. Commission Staff, having performed a limited financial review of Big Bear's operations, prepared a Staff Report that was issued by Commission Order dated June 3, 1999. An informal conference was held on August 30, 1999, to discuss the application and the Staff Report. During the conference matters arose that had not been previously brought to Staff's attention. As a result of the conference and after review of the information filed subsequent thereto, Staff has prepared the attached Amended Staff Report. All parties should review the report carefully and provide any written comments or requests for a hearing or informal conference no later than 10 days from the date of this Order.

IT IS THEREFORE ORDERED that all parties shall have no more than 10 days from the date of this Order to provide written comments regarding the attached Staff Report or requests for hearing or informal conference. If no request for a hearing or informal conference is received, this case will be submitted to the Commission for a decision.

Done at Frankfort, Kentucky, this 13th day of January, 2000.

By the Commission

ATTEST:

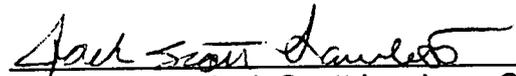
  
Executive Director

AMENDED STAFF REPORT  
ON  
BIG BEAR WASTEWATER, INC.  
CASE NO. 99-114

On April 19, 1999, Big Bear Wastewater, Inc. ("Big Bear") filed its application seeking to increase its sewer rates pursuant to 807 KAR 5:076, the Alternative Rate Adjustment Procedure for Small Utilities. Staff expressed its recommendations with regard to Big Bear's application in a Staff Report issued on June 3, 1999. To discuss the application and the Staff Report an informal conference was held on August 10, 1999. In attendance at the conference were John David Myles and John Stratman, representing The Dens Condominium Association ("The Dens"); Penny Warren, representing Big Bear; and Renee Curry, Anita Mitchell, and Scott Lawless of Commission Staff. During the conference Mr. Myles presented arguments against various aspects of the Staff Report. It was agreed that Big Bear and The Dens would submit additional information pursuant to the conference.

After considering the arguments made at the conference and the information filed subsequent thereto, Staff hereby amends its original report and recommends that the rate approved in this case be a monthly flat rate of \$30.37 per customer. Attachment A of this report details the additional adjustments to Staff's recommended pro forma operating income statement. Attachment B details the calculation of Staff's amended revenue requirement and recommended rate.

Signatures



Prepared by: Jack Scott Lawless, CPA  
Financial Analyst, Water and Sewer  
Revenue Requirements Branch  
Division of Financial Analysis



Prepared by: Renee Curry  
Rate Analyst, Communications, Water,  
and Sewer Rate Design Branch  
Division of Financial Analysis

**ATTACHMENT A  
AMENDED STAFF REPORT CASE NO. 99-114  
STAFF'S RECOMMENDED OPERATIONS**

	Pro forma Present Rate Operations per Staff Report of June 3, 1999	Adjustments Ref.	Pro forma Present Rate Operations Amended Staff Report
Sewer Service Revenues	24,308	A	24,308
<b>Operating Expenses</b>			
<b>Operation and Maintenance</b>			
Salaries and Wages	9,576	B	9,576
Sludge Hauling	840		840
Chemicals	318		318
Materials and Supplies	750		750
Contractual Services	2,413		2,413
Purchased Power	3,592		3,592
Insurance	1,689		1,689
Miscellaneous	943		943
Total Operation and Maintenance	20,121	-	20,121
Depreciation	3,965	(3,965) C	-
Taxes Other Than Income	1,286		1,286
Total Operating Expenses	25,372	(3,965)	21,407
Net Operating Income	(1,064)	3,965	2,901

ATTACHMENT A  
AMENDED STAFF REPORT CASE NO. 99-114  
STAFF'S RECOMMENDED OPERATIONS

A) Sewer Service Revenues. During the informal conference, The Dens stated that the local marina operates the only boat sewage pump-out station in the area but is charged as a residential customer by Big Bear. The Dens felt that an adjustment to test year revenues was warranted if the marina is accepting high levels of wastewater to be treated by Big Bear's plant. Subsequent to the conference Big Bear reviewed the records of the marina and found that 2 boats had used the pump-out from January 1, 1999, to August 12, 1999. Staff agrees that a residential equivalency factor should be established for any customer discharging more than 12,000 gallons of wastewater per month into a wastewater treatment facility. However, there has been no evidence presented in this case to indicate that the marina is discharging high volumes of wastewater into Big Bear's plant. Therefore, Staff has not made additional adjustments to operating revenues.

B) Salaries and Wages. During the test year Big Bear paid its employees monthly salaries. The Commission had approved the majority of the salary amounts in Case No. 97-245, Big Bear's previous rate case. To calculate pro forma salaries in this case Staff annualized the test year monthly salaries of all employees at the end of the test year.

In this case The Dens has argued that Staff's calculation in Case No. 97-245 artificially inflated salaries because the months used in the calculation were the busiest months of the year for Big Bear. Therefore, when approving rates in this case the Commission should reduce salary and wage expenses. Staff is of the opinion that an additional adjustment to pro forma salaries and wages is not warranted. Even though Big Bear is operating a seasonal resort community, the treatment plant is in operation

ATTACHMENT A  
 AMENDED STAFF REPORT CASE NO. 99-114  
 STAFF'S RECOMMENDED OPERATIONS

365 days per year and must be serviced routinely. The salary levels recommended by Staff in its original report fall well within the reasonableness range when compared to other similarly situated sewer treatment plant operations.

The Dens further argued that test year salaries and wages were overstated as evidenced by a payroll detail report that was submitted to the Commission by Big Bear on August 9, 1999. Staff concedes that the payroll report does reflect an over payment equal to one months salary for each employee; however, no adjustment is warranted as the overpayment is not reflected in test year or pro forma salaries and wages as shown in the original Staff Report. The amount included as test year salaries and wages in the original Staff Report and the amount reported in the payroll detail report were reconciled as follows:

Payroll Detail Report Total Gross Salary	\$9,927.67
Less: One Month of Pro Forma Gross Salary	(798.00)
Test Year Gross Salary in Staff Report	<u>\$9,129.67</u>

C) In the original Staff Report depreciation expense was included as a revenue requirement but only to the extent of the plant capacity reserved for existing customers. Upon reviewing Attachment A of Big Bear's filing of November 16, 1999, Staff has determined that the cost of the plant was or should have been recovered by Big Bear Resort's developer, Bear Development, Inc., through the sale of condominiums and special assessments. Therefore, Staff has eliminated depreciation expense included in the June 3, 1999, Staff Report. Bear Development's cost recovery is considered a contribution in aid of construction and should be recorded on the books of the entity currently operating the plant in account 271 – contributions in aid of construction.

ATTACHMENT B  
 AMENDED STAFF REPORT CASE NO. 99-114  
 CALCULATION OF REVENUE REQUIREMENT AND RECOMMENDED RATE

CALCULATION OF ANNUAL REVENUE REQUIREMENT

Pro Forma Operating Expenses Before Taxes	21,407
Divide by: Operating Ratio	88%
Total Revenue Required Before Taxes	24,326
Less: Pro Forma Operating Expenses Before Taxes	<u>(21,407)</u>
Net Income Allowed After Taxes	2,919
Times: Tax Gross Up Factor, See Original Staff Report For Calculation (actual factor 123.839%)	<u>123%</u>
Net Operating Income Before Taxes	3,615
Plus: Operating Expenses Before Taxes	<u>21,407</u>
Revenue Requirement	<u>\$25,022</u>

CALCULATION OF RECOMMENDED RATE

Revenue Requirement Divided by Residential Equivalent	\$25,022.00
Divide by: Pro Forma Number of Bills	<u>824.00</u>
Recommended Monthly Rate	<u>\$30.37</u>

# WYATT, TARRANT & COMBS

1700 LEXINGTON FINANCIAL CENTER  
LEXINGTON, KENTUCKY 40507-1746

606 233-2012  
FAX: 606 259-0649

CITIZENS PLAZA  
LOUISVILLE, KY 40202-2898  
502 589-5235

TAYLOR-SCOTT BUILDING  
FRANKFORT, KY 40601-1807  
502 223-2104

ELSBY BUILDING  
NEW ALBANY, IN 47150-3440  
812 945-3561

1500 NASHVILLE CITY CENTER  
NASHVILLE, TN 37219-1750  
615 244-0020

29 MUSIC SQUARE EAST  
NASHVILLE, TN 37203-4322  
615 255-6161

313 E. MAIN STREET, SUITE 1  
HENDERSONVILLE, TN 37075-2546  
615 822-8822

6075 POPLAR AVENUE, SUITE 650  
MEMPHIS, TN 38119-4721  
901 537-1000

10368 WALLACE ALLEY STREET, SUITE 6  
KINGSPORT, TN 37663-3977  
423 279-1825

WRITER'S DIRECT DIAL NUMBER

Penny R. Warren

606 288-7404

pwarren@wyattfirm.com

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## Transmittal Memorandum

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**TO:** Stephanie Bell, Secretary of Public Service Commission  
Commonwealth of Kentucky

**From:** Penny R. Warren

**Date:** November 15, 1999

**Re:** **Response of Big Bear Wastewater, Inc. to New  
Claim Asserted by The Dens Condominium  
Association in Their Comments  
Docket No. 99-114**

**Enclosures:** Ten originals and one copy  
Big Bear Wastewater, Inc./Alternative Rate Filing

**Please file and return file-stamped copy in the envelope provided.**

Please call me immediately upon receipt at:

For your information and file

Please acknowledge receipt by signature below and return to me

Please sign and forward to:

**Thanks.**

COMMONWEALTH OF KENTUCKY  
Before the  
PUBLIC SERVICE COMMISSION

NOV 16 1999  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC. )  
ALTERNATIVE RATE FILING )

CASE NO. 99-114

**RESPONSE OF BIG BEAR WASTEWATER, INC.  
TO NEW CLAIM ASSERTED BY  
THE DENS CONDOMINIUM ASSOCIATION  
IN THEIR COMMENTS**

Big Bear Wastewater, Inc. ("Big Bear"), by counsel, for its response to the Comments of The Dens Condominium Association on Informal Conference Memorandum and Comments of Big Bear Wastewater, Inc., states as follows:

On November 12, 1999 counsel for Big Bear received comments from The Dens Condominium Association ("The Dens") in which they claimed for the first time that the actual assessment for the construction of the treatment plant was not \$16,000 as Big Bear had thought, but was, in fact, \$22,734.85. Big Bear subsequently searched its files and learned that The Dens information is correct -- the assessment was \$22,734.85. Any inference that The Dens paid that amount, however, is **not true**. In fact, the total amount of this assessment paid by The Dens is \$11,804.08. More detailed information concerning these calculations and payment is provided below. However, if the Commission Staff uses the figure requested by The Dens of \$22,734.85 to calculate depreciation recoverable by the utility, then The Dens should be ordered to pay immediately to Big Bear the balance of the 1992 assessment of \$10,930.77.

The background for the confusion regarding the assessment is that the initial letter sent to The Dens, a file copy of which is attached as Exhibit A, calculated the Assessment for the new filter system based upon the number of plumbing fixtures in the existing 14 units at that time. Based upon 14 units, The Dens had 44 percent of the total fixture units and were assessed a total of \$16,672.22. The March 4, 1992 letter relied upon by The Dens shows that there was an agreement to calculate the assessment based upon 27 condominiums, rather than 14. (For the convenience of the Commission, a copy of this letter is attached as Exhibit B.) This changed the percentage of fixture units for The Dens to 60 percent of the total assessment. The assessment based upon 27 units at \$842.03 was \$22,734.81 as The Dens claim. However, The Dens only paid the per unit assessment for 14 units, or a total of \$11,804.08. The Dens have never paid the balance of \$10,930.77 which was due for the remaining 13 units.

Accordingly, Big Bear respectfully requests that the Commission Staff use for purposes of reduction in depreciation either the actual assessment paid of \$11,804.08 or that the Commission order that The Dens immediately pay the balance of the assessment due.

Respectfully submitted,



George L. Seay, Jr.  
Wyatt, Tarrant & Combs  
311 West Main Street  
Frankfort, Kentucky 40601-1807

Penny R. Warren  
Wyatt, Tarrant & Combs  
250 West Main Street, Suite 1700  
Lexington, Kentucky 40507-1746  
606/233-2012

Counsel for Big Bear Wastewater, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of this Response was served upon the following individuals, by U.S. mail, postage prepaid, this 15<sup>th</sup> day of November, 1999:

Hon. John David Myles  
413 Sixth Street  
Shelbyville, Kentucky 40065

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

Ms. Janet Caldemeyer, Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, Kentucky 42025

  
Counsel for Big Bear Wastewater, Inc.

**BDI**  
**BEAR DEVELOPMENT INC.**

Dear

RT 4 BOX 142, BENTON, KY 42025  
(800) 922-BEAR (2327)

As the developer of the Dan's Condominium project, this is a letter which I had hoped I would never have to write. However, due to circumstances beyond my control, I have found it necessary to levy a one-time special assessment against the owners.

Now that the news is out in the open, let me try to explain how this situation came about. Bear Development Inc. has planned from day 1 to pay for the new sewage wastewater treatment plant from funds budgeted from the sales of the Dens Condominiums. This is exactly the time at which we planned to install the plant and we are installing the plant for which we had originally budgeted. Everything as planned!

The filing for this plant, with the Kentucky Division of Water, was initiated over 6 months ago. However, less than 2 months ago, the State of Kentucky implemented a new law requiring stiffer regulations for all treatment plants flowing into waterways in Kentucky. In this new law are provisions that will allow no new plants to be installed in the State of Kentucky which would flow into any waterway! Fortunately the plant at Big Bear was grandfathered BUT had to meet stiffer standards.

The portion of these standards that will affect you is the result of the above law implementation. In order for the Big Bear Resort treatment plant to adhere to new state regulations, a filter system had to be added to the new plant that we are installing. That, in itself, does not sound too bad. However, the price of this unit now stands to add more than 50% to the cost of the new plant.

The assessment that was determined by the amount of money required for the new equipment only. Big Bear Resort and The Dens Condominium unit owners are being assessed based on the number of plumbing fixtures per each entity. That number is then being divided into the total amount of above budget expenditure. The percentages for Big Bear and the Dens are 56% & 44% respectively. After applying these figures, the assessment for the Dens comes to \$16,672.22 or \$1190.87 per unit owner. This is on a total project cost of \$115,972.26 and only represents 44% of the additional cost mandated by the state. I am currently looking for a March 1, 1992, date for the assessments from each unit to be paid.

Let me reiterate that this was a cost that the development company had no control over. I've been through this before with our unit in Florida and I know that this is never a pleasant situation. I fought the battle against the State and lost but no one can say that it wasn't a good fight! I will be more than happy to discuss in detail any aspect of this decision and will be prepared to take the heat for it.

Thank you for your cooperation.

Richard O. Meier

BEAR DEVELOPMENT INC.  
BIG BEAR RESORTS, INC.  
RT 4 BOX 148  
BENTON KY 42025

March 4, 1992

Dens Condominiums Unit Owners  
Buildings 1-4  
Benton KY 42025

RE: ASSESSMENT FOR TREATMENT PLANT

Dear Unit Owners:

The treatment plant has arrived and we can finally fill our hole in the ground and get things back to normal. There have been a few changes that I would like to address in this letter.

One unit owner asked us to compute the amount due and divide it by 27 owners, which will be the number of unit owners upon completion. Rich and I think that this is a fair method to figure the amount due. With the new calculations, the amount due will be \$942.03. (The calculations are on an enclosed sheet.)

Most of you have already paid this assessment and will be due a refund check in the amount of \$348.84. If you have not paid, the amount is now due and payable.

The paperwork has been underway since January to transfer the condominium project to the unit owners. As I have written to you in the past, it is your responsibility to run the Dens Condominium Association. Although, I have willingly done so for 3 years, it is now being turned over to the Association. The Association will be responsible for collecting any overdue monthly maintenance fees and determining budget amounts for each year. I have tried not to change the monthly maintenance fee by allocating surplus to the contingency fund. I will continue to pay the bills for the condo association till notified otherwise by the elected staff.

Big Bear Resorts Inc. has also been paying the yearly insurance policies and then getting paid back each month by unit owners. I feel it is time to delete this from the monthly maintenance fee and for the unit owners to pay in one lump sum assessment that will be due each July. Big Bear has carried the Dens Condominium Association policy on their own policy to trim costs but the tie will need to be broken this year to make a clean break. Also, I am not terribly fond of negotiating insurance rates so be sure to count that as one of your first duties since the policy expires July 1, 1992.

I feel it is time that the Association was run by the owners, for I feel sure that I can occupy my time in the pursuit of leisure for myself and my family rather than in trying to unravel the paperwork for the Association. Those of you who have been supportive of Rick and I are more than appreciated. We could not make it without you patting us on the back and boosting our spirits when we are low.

I would like for you to have the network of elected officers on hand and ready to take over by Memorial Day so that I can rest this summer by only having to balance 18 accounts instead of 18! By the way, the condo association has 2 \$500 cd's and a balance of \$3266.22. All of the paperwork is ready to hand over to an elected treasurer.

There are no minutes from any annual meetings since none of you were interested in starting the condo association up. The first annual meeting and minutes will be initiated when you begin this spring.

Good luck with your organization and I hope to see most of you this summer for a fun time!



M Janet Galdemeyer

COMPUTATION OF NEW ASSESSMENT AMOUNT

TOTAL # OF FIXTURES FOR 27 CONDO UNITS 619

TOTAL # OF FIXTURE UNITS FOR BIG BEAR 415

TOTAL FIXTURES 1034

619 DIVIDED BY 1034 = 60% OF THE FIXTURES WILL BE OWNED BY THE DENS

60% OF 37991.41 = 22734.85

22,734.85 DIVIDED BY 27 UNITS = 842.03 TOTAL DUE NOW

*John David Myles*  
*Attorney at Law*

413 SIXTH STREET  
SHELBYVILLE, KENTUCKY 40065

(502) 633-3252

November 5, 1999

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

NOV - 3 1999  
FILED  
COMMUNICATIONS SECTION

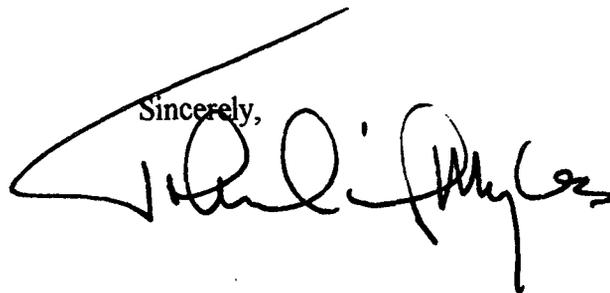
RE: Big Bear Wastewater, Inc.  
Alternative Rate Filing  
Case No. 99-114

Dear Ms. Helton:

Enclosed please find the original and ten copies of the Comments of The Dens Condominium Association on Informal Conference Memorandum and Comments of Big Bear Wastewater, Inc.

If I can provide additional information to assist the Commission in its consideration of this matter, please do not hesitate to contact me.

Sincerely,



cc: Mr. John Stratman, President  
The Dens Condominium Association

COMMONWEALTH OF KENTUCKY  
Before the  
PUBLIC SERVICE COMMISSION

NOV - 3 1999

In the Matter of:

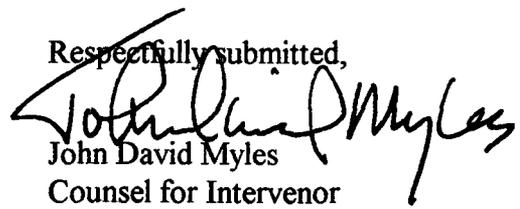
BIG BEAR WASTEWATER, INC. )  
ALTERNATIVE RATE FILING ) CASE No. 99-114

COMMENTS OF THE DENS CONDOMINIUM ASSOCIATION  
ON INFORMAL CONFERENCE MEMORANDUM  
and  
COMMENTS OF BIG BEAR WASTEWATER, INC.

Comes The Dens Condominium Association, by counsel, and for its comments on the Informal Conference Memorandum and the Comments of Big Bear Wastewater, Inc. On Informal Conference Issues states as follows:

The Commission Staff's Informal Conference Memorandum accurately reflects that discussion at the conference during which Mr. John Stratman, president of The Dens Condominium Association, stated his recollection that the members of the Association had contributed \$18,000.00 to construction of the treatment plant. At page 4 of the Comments of Big Bear Wastewater, Inc., it is stated that the actual assessment was \$16,000.00. Further research into the records of the Association has produced the attached correspondence which indicates that the contribution was in fact \$22,734.85. The Association therefore requests that the Commission Staff use this figure in its calculation of depreciation recoverable by the utility.

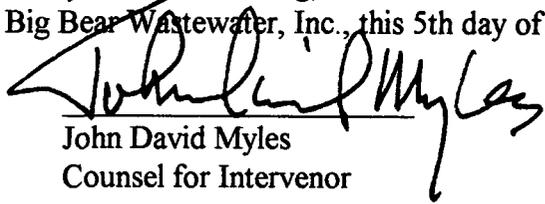
Respectfully submitted,



John David Myles  
Counsel for Intervenor  
413 Sixth Street  
Shelbyville, Kentucky 40065  
(502) 633-3252

CERTIFICATE OF SERVICE

This is to certify that a true and accurate copy of the foregoing Response to Objection to Production Request and Motion for Protection Order was delivered to the U. S. Postal Service, first class postage prepaid, and addressed to George L. Seay, Jr., and Penny R. Warren, Esq., Wyatt, Tarrant & Combs, Taylor-Scott Building, 311 West Main Street, Frankfort, Kentucky 40601, counsel for Big Bear Wastewater, Inc., this 5th day of November, 1999.

  
John David Myles  
Counsel for Intervenor

BEAR DEVELOPMENT INC.  
BIG BEAR RESORTS, INC.  
RT 4 BOX 143  
BENTON KY 42025

March 4, 1992

Dens Condominiums Unit Owners  
Buildings 1-4  
Benton KY 42025

RE: ASSESSMENT FOR TREATMENT PLANT

Dear Unit Owners:

The treatment plant has arrived and we can finally fill our hole in the ground and get things back to normal. There have been a few changes that I would like to address in this letter.

One unit owner asked us to compute the amount due and divide it by 27 owners, which will be the number of unit owners upon completion. Rick and I think that this is a fair method to figure the amount due. With the new calculations, the amount due will be \$842.03. (The calculations are on an enclosed sheet.)

Most of you have already paid this assessment and will be due a refund check in the amount of \$348.84. If you have not paid, the amount is now due and payable.

The paperwork has been underway since January to transfer the condominium project to the unit owners. As I have written to you in the past, it is your responsibility to run the Dens Condominium Association. Although, I have willingly done so for 3 years, it is now being turned over to the Association. The Association will be responsible for collecting any overdue monthly maintenance fees and determining budget amounts for each year. I have tried not to change the monthly maintenance fee by allocating surplus to the contingency fund. I will continue to pay the bills for the condo association till notified otherwise by the elected staff.

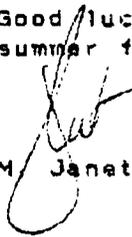
Big Bear Resorts Inc. has also been paying the yearly insurance policies and then getting paid back each month by unit owners. I feel it is time to delete this from the monthly maintenance fee and for the unit owners to pay in one lump sum assessment that will be due each July. Big Bear has carried the Dens Condominium Association policy on their own policy to trim costs but the tie will need to be broken this year to make a clean break. Also, I am not terribly fond of negotiating insurance rates so be sure to count that as one of your first duties since the policy expires July 1, 1992.

I feel it is time that the Association was run by the owners, for I feel sure that I can occupy my time in the pursuit of leisure for myself and my family rather than in trying to unravel the paperwork for the Association. Those of you who have been supportive of Rick and I are more than appreciated. We could not make it without you patting us on the back and boosting our spirits when we are low.

I would like for you to have the network of elected officers on hand and ready to take over by Memorial Day so that I can rest this summer by only having to balance 15 accounts instead of 18! By the way, the condo association has 2 \$500 cd's and a balance of \$3266.22. All of the paperwork is ready to hand over to an elected treasurer.

There are no minutes from any annual meetings since none of you were interested in starting the condo association up. The first annual meeting and minutes will be initiated when you begin this spring.

Good luck with your organization and I hope to see most of you this summer for a fun time!



M Janet Caldemeyer

COMPUTATION OF NEW ASSESSMENT AMOUNT

TOTAL # OF FIXTURES FOR 27 CONDO UNITS	619
TOTAL # OF FIXTURE UNITS FOR BIG BEAR	415
TOTAL FIXTURES	1034

619 DIVIDED BY 1034 = 60% OF THE FIXTURES WILL BE OWNED BY THE DENS

60% OF 37891.41 = 22734.85

22,734.85 DIVIDED BY 27 UNITS = 842.03 TOTAL DUE NOW

# WYATT, TARRANT & COMBS

1700 LEXINGTON FINANCIAL CENTER  
LEXINGTON, KENTUCKY 40507-1746

606 233-2012  
FAX: 606 259-0649

RECEIVED  
NOV - 1 1999  
PUBLIC SERVICE  
COMMISSION

CITIZENS PLAZA  
LOUISVILLE, KY 40202-2898  
502 589-5235

TAYLOR-SCOTT BUILDING  
FRANKFORT, KY 40601-1807  
502 223-2104

ELSBY BUILDING  
NEW ALBANY, IN 47150-3440  
812 945-3561

1500 NASHVILLE CITY CENTER  
NASHVILLE, TN 37219-1750  
615 244-0020

29 MUSIC SQUARE EAST  
NASHVILLE, TN 37203-4322  
615 255-6161

313 E. MAIN STREET, SUITE 1  
HENDERSONVILLE, TN 37075-2546  
615 822-8822

6075 POPLAR AVENUE, SUITE 650  
MEMPHIS, TN 38119-4721  
901 537-1000

10368 WALLACE ALLEY STREET, SUITE 6  
KINGSPORT, TN 37663-3977  
423 279-1825

WRITER'S DIRECT DIAL NUMBER

Penny R. Warren

606 288-7404

pwarren@wyattfirm.com

## Transmittal Memorandum

TO: Stephanie Bell, Secretary of Public Service Commission  
Commonwealth of Kentucky

From: Penny R. Warren

Date: October 29, 1999

Re: **The Application of Big Bear Wastewater, Inc. for an Adjustment  
of Rates Pursuant to the Alternative Rate Filing Procedure for  
Small Utilities  
Docket No. 99-114**

Enclosures: Ten originals and one copy

**Response of Big Bear Wastewater, Inc. to Request  
for Information**

Please file and return file-stamped copy in the envelope provided.

Please call me immediately upon receipt at:

For your information and file

Please acknowledge receipt by signature below and return to me

Please sign and forward to:

**Thanks.**



portions approved by the Public Service Commission in the initial rate request except for that of Robert Eastham. Robert Eastham and Dick Eastham are both certified wastewater treatment plant operators and their combined salary attributable to the treatment plant is \$4,176.00, which is substantially less than the price bid by an outside firm for only routine maintenance. Dick Eastham and Robert Eastham do fill in a log sheet for most of their visits to the wastewater treatment plant and a duplicate copy of that log sheet is attached as Exhibit A. On occasion, other Big Bear Resort personnel provide assistance at the wastewater treatment plant, but there has been no charge to Big Bear Wastewater, Inc. for these services. In other words, Big Bear Wastewater Treatment Inc. benefits from the fact that there are full-time employees for Big Bear Resort who are available and do provide all services needed by Big Bear Wastewater Treatment Inc. The cost of the treatment plant would be much higher if these services had to be contracted out, and the services are provided on a more timely basis. A duplicate copy of payroll information for these individuals is attached as Exhibit B. Big Bear notes that the computer program erroneously showed duplicate payments for the month of July.

Request No. 2: Identify any hours for which Big Bear Wastewater Inc. paid its employees which were performed in whole or in part for the benefit of other related (including but not limited to Big Bear Resort Inc. and Big Bear Development Inc.) or unrelated entities other than Big Bear Wastewater, Inc.

Response: As noted above, these salaried employees do not keep hourly records by task. The portions of their salaries which are allocated to Big Bear Wastewater Inc. are those portions approved previously by the Public Service Commission. It is believed that if records were kept for each task, a greater portion, rather than a lesser portion, of each salary would need to be allocated to Big Bear Wastewater Inc.

Request No. 3: Provide the hourly rates paid to each employee of Big Bear Wastewater Inc. during calendar year 1998.

Response: There are no hourly employees of Big Bear Wastewater, Inc.

Respectfully submitted,

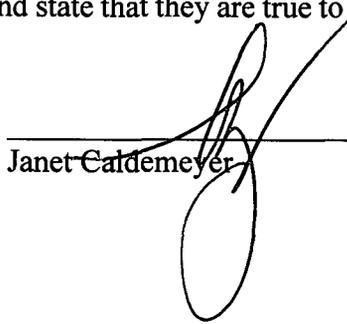
  
Penny R. Warren  
WYATT, TARRANT & COMBS  
250 West Main Street, Suite 1700  
Lexington, Kentucky 40507-1746

George L. Seay, Jr.  
WYATT, TARRANT & COMBS  
Taylor-Scott Building  
311 West Main Street  
Frankfort, Kentucky 40601-1807

Counsel for Big Bear Wastewater, Inc.

#### VERIFICATION

I have read the foregoing responses and state that they are true to the best of my knowledge and belief.

  
Janet Caldemeyer

STATE OF KENTUCKY            )  
  ) SS  
COUNTY OF                    )

The foregoing instrument was acknowledged before me this 28 day of October, 1999, by Janet Caldemeyer, as Vice President of Big Bear Wastewater, Inc., a KENTUCKY corporation, on behalf of the corporation.

My commission expires: My Commission Expires August 25, 2001

Rhonda L. Brando  
NOTARY PUBLIC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of this Response to Request for Information was served upon the following individuals, by U.S. mail, postage prepaid, this 29<sup>TH</sup> day of October, 1999:

Hon. John David Myles  
413 Sixth Street  
Shelbyville, Kentucky 40065

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

Ms. Janet Caldemeyer, Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, Kentucky 42025

[Signature]  
Counsel for Big Bear Wastewater, Inc.

TIME SHEET

BIG BEAR WASTE WATER

PH 354-6414

NAME	DATE	TIME IN	WORK DONE	TIME OUT	TOTAL HRS
<del>DICK</del>	<del>11-11-97</del>	<del>8:20 A</del>	<del>CHECK/TEST</del>	<del>9:30 AM</del>	<del>1 HR.</del>
<del>DICK</del>	<del>11-12-97</del>	<del>7:30 A</del>	<del>" "</del>	<del>8:30 A</del>	<del>1 HR</del>
<del>DICK</del>	<del>11-24-97</del>	<del>8:00 A</del>	<del>TEST / CLEAN</del>	<del>9:30 A</del>	<del>1 HR. 30 MIN</del>
<del>DICK</del>	<del>12-1-97</del>	<del>8:00 A</del>	<del>CX / CLEAN</del>	<del>8:45 A</del>	<del>45 MIN</del>
<del>DICK</del>	<del>12-9-97</del>	<del>8:00 A</del>	<del>" "</del>	<del>9:00 A</del>	<del>1 HR</del>
<del>DICK</del>	<del>12-15-97</del>	<del>2:30 P</del>	<del>TEST / SAMPLE</del>	<del>3:00 P</del>	<del>30 MIN.</del>
<del>DICK/SAM</del>	<del>12-22-97</del>	<del>8:00 AM</del>	<del>CLEAN</del>	<del>9:30 AM</del>	<del>1 HR. 30 MIN</del>
DICK/SAM	1-2-98	7:30 AM	CLEAN / ✓	8:00 AM	30 MIN
DICK/SAM	1-12-98	2:30 PM	CLEAN ✓	3:30 PM	1 HR
DICK	1-19-98	8:00 AM	CHECK / SAMPLE	8:30 AM	30 MIN.
DICK	1-23-98	9:00 AM	CLEAN / ✓	11:45 AM	2 HR. 45 MIN
DICK	1-27-98	7:45 AM	✓	8:00 AM	15 MIN
DICK	2-2-98	8:00 AM	✓	8:15 AM	15 MIN
DICK	2-9-98	8:00 AM	CLEAN / ✓	8:30 AM	30 MIN.
DICK	2-13-98	2:30 PM	CLEAN / ✓	3:15 PM	45 MIN
BOB	2-17-98	7:30 AM	Hyd. Over Load (RAIN) CLEAN ETC	1:30 PM	6 HRS
BOB	2-18-98	7:30 AM	✓ ✓ ✓	8 AM	1/2 HR
BOB	2-18-98	12:30 PM	✓ ✓ ✓	1:15 PM	45 MIN
Bob	2-19-98	7:30 AM	TEST / Pull Samples <sup>McCoy</sup> <sub>McCoy</sub>	8 AM	1/2 HR
BOB	2-19-98	8 AM	TESTS TO <sup>McCoy</sup> <sub>McCoy</sub>	10 AM	2 HR
BOB	2-19-98	8 AM	BLOWER MOTOR / WADEN FLEC	10 AM	2 HR
BOB	2-26-98	11 AM	CHECK	11:30 AM	1/2 HR
BOB/DICK	3-3-98	7:30 AM	✓	8 AM	1 MAN HR
DICK	3-6-98	8:15 AM	CLEAN / CHECK	1:45 PM	5 HR
DICK	3-9-98	8:00 AM	" "	10:45 AM	2 HR. 45 MIN
DICK	3-10-98	8:15 AM	" "	9:00 AM	45 MIN.
DICK	3-16-98	7:30 AM	CLEAN / REPLACE <sup>Blower</sup> <sub>motor</sub>	11:00 AM	3 1/2 HR
BOB	3-16-98	7:30 AM	REPLACE Blower & MOTOR	11:00 AM	3 1/2 HR
SAM	3-16-98	7:30 AM	HELPER	11:00 AM	3 1/2 HR
DICK	3-17-98	7:30 AM	CLEAN / CHECK	8:30 AM	1 HR.
DICK	3-18-98	8:00 AM	CLEAN / CHECK	9:00 AM	1 HR.
DICK	3-19-98	7:45 AM	CLEAN / CHECK	8:30 AM	45 MIN
DICK	3-23-98	7:30 AM	TEST	8:00 AM	30 MIN
TOTAL					

30 BIG BEAR RESORT RD

BENTON, KY 42025

Post-It™ brand fax transmittal memo 7671 # of pages 1

To: <u>Geo. Gray</u>	From: <u>Big Bear</u>
Co.:	Co. <u>Wastewat</u>
Dept.:	Phone #

## TIME SHEET

## BIG BEAR WASTE WATER

PH 354-8414

NAME	DATE	TIME IN	WORK DONE	TIME OUT	TOTAL HRS
DICK	3-24-98	7:30 A	TEST/CLEAN	8:00 A	30 MIN.
DICK	3-25-98	8:30 A	CLEAN/CK.	9:15 A	45 MIN.
DICK	3-26-98	7:30 A	CLEAN	8:20 A	50 MIN.
DICK	3-27-98	7:30 A	CK.	7:45 A	15 MIN.
DICK	3-30-98	7:30 A	CLEAN	8:30 A	1 HR.
DICK	3-31-98	7:30 A	CK	7:45 A	15 MIN.
DICK	4-1-98	7:30 A	CK/CLEAN	8:00 A	30 MIN.
DICK	4-3-98	7:30 A	CK	7:45 A	15 MIN.
DICK	4-4-98	7:30 A	CLEAN/CK	8:15 A	45 MIN.
DICK	4-5-98	7:30 A	CLEAN/CK	10:00 A	2 HR. 30 MIN.
BOB	4-5-98		BOOK KEEPING (MONTH)		15 HRS
DICK	4-6-98	7:30 A	CLEAN	8:30 A	1 HR.
DICK	4-7-98	7:30 A	CK	8:05 A	35 MIN.
DICK	4-8-98	7:30 A	CLEAN (REPAIR SCRAPER)	9:00 A	1 HR. 30 MIN.
DICK	4-10-98	7:30 A	CLEAN/CK	8:30 A	1 HR.
DICK	4-11-98	7:30 A	CLEAN/CK	9:05 A	1 HR. 35 MIN.
DICK	4-12-98	7:30 A	CLEAN/CK	8:30 A	1 HR.
DICK	4-13-98	9:00 A	CLEAN/CK PUMP/FILTER SAND	4:00 A	8.0 HR
BOB	4-13-98	9:00 A	PUMP FILTER SAND	11:00 A	2.0 HR
DICK	4-14-98	7:30 A	CLEAN PUMP OPERATION	1:00 A	5 HRS.
DICK	4-15-98	7:30 A	CLEAN DIFFUSORS/PLANT/CK	9:40 A	2 HR. 10 MIN.
DICK	4-17-98	7:30 A	CLEAN/TEST	9:00 A	1 HR. 30 MIN.
DICK	4-18-98	7:30 A	CLEAN/TEST	8:45 A	1 HR. 15 MIN.
DICK	4-19-98	7:30 A	CLEAN/TEST	10:00 A	2 HR. 30 MIN.
DICK	4-20-98	7:30 A	CLEAN/TEST	9:00 A	1 HR. 30 MIN.
DICK	4-21-98	7:30 A	CLEAN/TEST/SAMPLES	9:00 A	1 HR. 30 MIN.
DICK	4-22-98	7:50 A	CLEAN/TEST	9:00 A	1 HR. 30 MIN.
BOB	4-23-98	7:40 A	CHECK	7:50 A	10 MIN.
DICK	4-24-98	7:30 A	CLEAN/TEST	9:00 A	1 HR. 30 MIN.
DICK	4-25-98	7:30 A	CLEAN/TEST	9:00 A	1 HR. 30 MIN.
DICK	4-26-98	9:00 A	CLEAN/TEST	10:00 A	1 HR.
DICK	4-27-98	7:30 A	CLEAN/TEST	8:15 A	45 MIN.
DICK	4-28-98	7:30 A	CLEAN/TEST	8:10 A	40 MIN.
TOTAL					

## TIME SHEET

## BIG BEAR WASTE WATER

PH 354-6414

NAME	DATE	TIME IN	WORK DONE	TIME OUT	TOTAL HRS
DICK	4-29-98	7:30 A	CLEAN/CK	8:15 A	45 MIN.
DICK	5-1-98	7:30 A	CLEAN/CK	8:15 A	45 MIN.
DICK	5-3-98	7:30 A	CLEAN/CK	1:00 PM	5 HRS
BOB	5-3-98	-	BOOK KEEPING (MONTH)	-	15 HRS
DICK	5-4-98	7:30 A	CLEAN/TEST	8:30 AM	1 HR
DICK	5-5-98	7:30 A	CLEAN/CK.	8:20 AM	50 MIN.
DICK	5-6-98	7:30 A	CLEAN/CK.	8:15 AM	45 MIN.
DICK	5-8-98	7:30 A	CLEAN/TEST	8:30 A	1 HR
DICK	5-9-98	8:30 A	CLEAN/CK	9:00 A	30 MIN
DICK	5-10-98	7:30 A	CLEAN/TEST	8:30 A	1 HR
DICK	5-11-98	7:30 A	CK	7:45 A	15 MIN
DICK	5-12-98	7:30 A	CK	7:45 A	15 MIN
DICK	5-13-98	7:30 A	CLEAN/TEST	9:00 A	1 HR. 30 MIN
DICK	5-15-98	7:30 A	CLEAN	9:00 A	1 HR. 30 MIN
DICK	5-16-98	7:30 A	CLEAN/CK.	8:30 A	1 HR
DICK	5-17-98	7:15 A	CLEAN/CK	9:15 A	2 HRS
DICK	5-18-98	7:30 A	CLEAN/CK	8:30 A	1 HR
DICK	5-20-98	7:30 A	CLEAN/CK	8:30 A	1 HR
DICK	5-21-98	7:30 A	CK	7:45 A	15 MIN
DICK	5-22-98	7:30 A	CLEAN/TEST	8:45 A	1 HR. 15 MIN
DICK	5-23-98	7:30 A	CLEAN/CK	8:30 A	1 HR
DICK	5-24-98	8:30 A	CLEAN/CK	9:30 A	1 HR
DICK	5-24-98	3:00 P	" "	3:30 P	30 MIN
DICK	5-25-98	7:30 A	CLEAN/TEST	9:00 A	1 HR. 30 MIN
DICK	5-26-98	7:30 A	CLEAN/CK	8:30 A	1 HR
DICK	5-27-98	7:30 A	CLEAN/CK	8:30 A	1 HR
BOB	5-26-98	-	FABRICATE AIR SCRUBBER (SAND FILTERS)	-	3.0 HRS
DICK	5-26-98	-	FABRIC AIR SCRUBBER (SAND FILTERS)	-	3.0 HRS
DICK	5-27-98	9:00 A	PUMP SLUDGE (3-LOADS)	3:30 P	6.0 HRS
DICK	5-29-98	7:30 A	CLEAN/CK.	9:00 A	1 HR 30 MIN
DICK	5-30-98	7:30 A	CLEAN/TEST	8:45 A	1 HR. 15 MIN
DICK	5-31-98	7:30 A	CLEAN/CK	8:45 A	1 HR. 15 MIN
DICK	6-1-98	7:30 A	CLEAN/CK	8:30 A	1 HR
TOTAL					

## TIME SHEET

## BIG BEAR WASTE WATER

PH 354-6414

NAME	DATE	TIME IN	WORK DONE	TIME OUT	TOTAL HRS
DICK	6-2-98	7:30 A	CLEAN/CK	9:00 A	1 HR. 30 MIN
BOB	6-2-98	—	BOOK KEEPING (MONTH)	—	15 HRS
DICK	6-3-98	7:30 A	CLEAN/TEST	9:00 A	1 HR. 30 MIN
DICK	6-5-98	7:30 A	HYD. OVERLOAD CLEAN	11:30 A	4 HRS
DICK	6-6-98	7:30 A	CLEAN/CK	9:00 A	1 HR. 30 MIN
DICK	6-5-98	1:00 P	CLEAN	4:00 P	3 HRS
DICK	6-7-98	8:30 A	CLEAN/TEST	12:00 P	3 HRS. 30 MIN
DICK	6-8-98	10:30 A	CK	10:55 A	25 MIN
DICK	6-9-98	7:30 A	CK (HYD. OVERLOAD)	7:45 A	15 MIN
DICK	6-10-98	7:30 A	CLEAN	11:30 A	4 HRS
DICK	6-12-98	7:30 A	CLEAN	10:00 A	2 HR. 30 MIN
DICK	6-13-98	7:30 A	CLEAN/TEST	9:00 A	1 HR. 30 MIN
DICK	6-14-98	9:00 A	CLEAN	11:00 A	2 HRS
DICK	6-15-98	7:30 A	CLEAN	10:00 A	2 HRS. 30 MIN
DICK	6-16-98	7:30 A	CLEAN	9:00 A	1 HR. 30 MIN
BOB	6-16-98	9:00 A	CK	9:30 A	30 MIN
DICK	6-17-98	7:30 A	CLEAN	10:00 A	2 HR. 30 MIN
DICK	6-18-98	7:30 A	CLEAN/TEST	9:00 A	1 HR. 30 MIN
BOB	6-20-98	7:30 A	CLEAN/TEST	12 NOON	4 1/2 HR
DICK	6-22-98	7:30 A	CLEAN/CK.	8:30 A	1 HR
DICK	6-24-98	7:30 A	CLEAN (HALL SLUDGE) T-LOADS	2:00 P	6 HRS
BOB	6-24-98	—	" "	—	2 HRS
BOB	6-25-98	8 AM	CHECK/SETTLING TANK	8:30 AM	30 MIN
DICK	6-26-98	7:30 A	CLEAN/TEST	8:30 A	1 HR.
DICK	6-27-98	7:30 A	CLEAN/TEST	9:00 A	1 HR. 30 MIN
DICK	6-28-98	8:00 A	CLEAN/CK	9:30 A	1 HR. 30 MIN
DICK	6-29-98	7:30 A	CLEAN/CK	8:30 A	1 HR.
DICK	6-30-98	7:30 A	CLEAN/TEST	8:30 A	1 HR
DICK	7-1-98	7:30 A	CLEAN/CK.	8:30 A	1 HR
BOB	7-1-98	—	BOOK KEEPING	—	15 HRS
DICK	7-3-98	7:30 A	CLEAN/TEST	8:30 A	1 HR
DICK	7-4-98	7:30 A	CLEAN/TEST	8:30 A	1 HR
DICK/DICK	7-5-98	8:00 A	CK/CLEAN	8:20	20 MIN
TOTAL					

## TIME SHEET

## BIG BEAR WASTE WATER

PH 354-6414

NAME	DATE	TIME IN	WORK DONE	TIME OUT	TOTAL HRS
DICK	7-6-98	7:30 A	CLEAN	9:00 A	1 HR. 30 MIN
DICK	7-7-98	7:30 A	CLEAN / CK.	8:30 A	1 HR.
DICK	7-8-98	7:30 A	CLEAN / TEST (REMOVE (2) TWO LADS SLUDGE)	9:30 A	2 HRS.
DICK	7-10-98	7:30 A	CLEAN / CK.	9:00 A	1 HR. 30 MIN
DICK	7-11-98	7:30 A	CLEAN / TEST	8:30 A	1 HR.
DICK	7-12-98	8:30 A	CLEAN / CK.	9:00 A	30 min
DICK	7-13-98	8:30 A	CLEAN / CK.	9:45 A	1 HR. 15 min
DICK / Jim	7-14-98	8:30 A	CLEAN / CK	10:00 A	1 HR. 30 min
DICK	7-15-98	7:30 A	CLEAN / TEST	8:30 A	1 HR
DICK	7-17-98	7:30 A	CLEAN / TEST	8:30 A	1 HR
DICK	7-18-98	7:30 A	CLEAN / CK	8:30 A	1 HR
DICK	7-19-98	7:30 A	CLEAN / CK	8:30 A	1 HR
DICK	7-20-98	7:30 A	CLEAN / TEST	8:45 A	1 HR. 15 MIN
BOB	7-21-98	7:30 A	TEST / SAMPLES TO McCoy	10: AM	2 1/2 HR
DICK	7-21-98	8:30 A	CLEAN / CK	9:15 A	45 min
DICK	7-22-98	7:30 A	CLEAN / TEST SETTLE FOR 10 MIN.	8:30 A	1 HR
BOB	7-23-98	7:30 A	CHECK	8:00 A	30 MIN
DICK	7-24-98	7:30 A	CLEAN / TEST	8:30 A	1 HR
DICK	7-25-98	7:30 A	CLEAN / CK.	8:30 A	1 HR
DICK	7-26-98	7:30 A	CLEAN / CK	8:45 A	1 HR. 15 MIN
DICK	7-27-98	7:30 A	CLEAN / TEST	9:00 A	1 HR. 30 MIN
DICK	7-28-98	7:30 A	CLEAN / CK	8:30 A	1 HR
DICK	7-29-98	7:30 A	CLEAN / CK	8:30 A	1 HR
DICK	7-31-98	7:30 A	CLEAN / CK	8:30 A	1 HR
BOB	8-1-98	—	BOOK KEEPING	—	15 HRS
DICK	8-1-98	7:30 A	CLEAN / TEST	8:30 A	1 HR
DICK	8-2-98	7:30 A	CLEAN / CK	9:30 A	2 HRS
DICK	8-3-98	7:30 A	CLEAN / CK	9:00 A	1 HR. 30 min
DICK	8-4-98	7:30 A	CLEAN / CK	8:30 A	1 HR
DICK	8-5-98	7:30 A	CLEAN / <del>TEST</del> TEST	8:30 A	1 HR
DICK	8-7-98	7:30 A	CLEAN / <del>CK</del> CK	9:00 A	1 HR. 30 min
DICK	8-8-98	7:30 A	CLEAN / TEST	9:00 A	1 HR. 30 min
DICK	8-9-98	7:30 A	CLEAN / CK	8:45 A	1 HR. 15 MIN
TOTAL					

## TIME SHEET

## BIG BEAR WASTE WATER

PH 354-6414

NAME	DATE	TIME IN	WORK DONE	TIME OUT	TOTAL HRS
DICK	8-10-98	7:30A	CLEAN/CK.	8:30A	1 HR.
DICK	8-11-98	7:30A	CLEAN/TEST	8:30A	1 HR.
DICK	8-12-98	7:30A	CLEAN/CK.	8:30A	1 HR
DICK	8-14-98	7:30A	CLEAN/CK.	8:30A	1 HR
DICK	8-15-98	7:30A	CLEAN/TEST	8:30A	1 HR.
DICK	8-16-98	7:30A	CLEAN/CK	9:00A	1 HR.30MIN
DICK	8-17-98	7:30A	CLEAN/CK	8:45A	1 HR. 15 MIN
DICK	8-18-98	7:30A	CLEAN/CK (RELAY <sup>REPLACE</sup> <del>OUT OF</del> AIR BRANCH)	9:00A	1 HR.30MIN
BOB	8-18-98	8:00A	RELAY/CONTRACTOR	9:00A	1 HR
BOB/DICK	8-18-98	1:30P	REPLACE RELAY/CONTRACTOR	2:00P	1 HR.30MIN
DICK	8-19-98	7:30A	CLEAN/CK	9:30A	2 HRS
BOB/DICK	8-21-98	—	REPLACE TIMER	—	30 MIN
DICK	8-21-98	7:30A	CLEAN/CK	9:00A	1 HR.30MIN
DICK	8-22-98	7:30A	CLEAN/TEST	8:50A	1 HR.20MIN
DICK	8-23-98	7:30A	CLEAN/CK	10:00A	2 HR.30MIN
DICK	8-24-98	7:30A	CLEAN/CK	8:30A	1 HR
DICK	8-25-98	8:00A	CLEAN/CK	9:00A	1 HR
BOB	8-26-98	7:30A	CHECK (BROKEN TRIPPED)	8:30A	1 HR
DICK	8-31-98	7:30A	CLEAN/TEST	9:00A	1 HR.30MIN
BOB	9-1-98	—	RECORD KEEPING	—	15 HRS
DICK	9-1-98	7:30A	CLEAN/CK	8:30A	1 HR
DICK	9-2-98	7:30A	CLEAN/CK	8:30A	1 HR
DICK	9-4-98	7:30A	CLEAN/TEST	9:00A	1 HR.30MIN
DICK	9-5-98	7:30A	CLEAN/CK	8:00A	30 MIN
DICK	9-6-98	7:30A	CLEAN/CK	9:30A	2 HRS
DICK	9-7-98	7:30A	CLEAN/CK	8:30A	1 HR
DICK	9-8-98	7:30A	CLEAN/CK	8:30A	1 HR
DICK	9-10-98	7:30A	CLEAN/TEST	8:40A	1 HR. 40 MIN
DICK	9-11-98	7:30A	CLEAN/CK	9:00A	1 HR.30MIN
BOB	9-12-98	7:30A	CHECK	9:50A	20 MIN
BOB	9-13-98	7:30A	CLEAN/CK	8:15A	45 MIN
BOB	9-14-98	7:30A	CLEAN/CK	8:50A	1 HR.20MIN
BOB	9-16-98	8:10A	TEST/CK	9AM	50 MIN
TOTAL					

## TIME SHEET

## BIG BEAR WASTE WATER

PH 354-641.

NAME	DATE	TIME IN	WORK DONE	TIME OUT	TOTAL HRS
BOB	9-17-98	7:50 A	CHECK/CLEAN	8:30 A	40 MIN
DICK	9-18-98	7:30 A	CHECK/CLEAN	8:30 A	1 HR
DICK	9-19-98	7:30 A	CLEAN/CK	9:00 A	1 HR.30 MIN
DICK	9-20-98	7:30 A	CLEAN/TEST	9:00 A	1 HR.30 MIN
DICK	9-21-98	7:30 A	CLEAN/CK.	9:00 A	1 HR.30 MIN
DICK	9-22-98	7:30 A	CLEAN/TEST/SAMPLES	9:00 A	1 HR.30 MIN
DICK	9-23-98	7:30 A	CLEAN/CK	8:45 A	1 HR.15 MIN
DICK	9-25-98	7:30 A	CLEAN/CK	8:30 A	1 HR
DICK	9-26-98	7:30 A	CLEAN/TEST	8:30 A	1 HR
DICK	9-27-98	7:30 A	CLEAN/CK	9:00 A	1 HR.30 MIN.
DICK	9-28-98	7:30 A	CLEAN/CK	9:00 A	1 HR.30 MIN
DICK	9-29-98	7:30 A	CLEAN/CK	9:00 A	1 HR.30 MIN
DICK	9-30-98	7:30 A	CK	8:00 A	30 MIN
DICK	10-2-98	7:30 A	CLEAN/TEST	9:00 A	1 HR.30 MIN
BOB	10-2-98	—	RECORD KEEPING	—	15 HRS.
DICK	10-3-98	7:30 A	CLEAN/CK	8:00 A	30 MIN
DICK	10-4-98	7:30 A	CLEAN/CK	9:30 A	2 HRS
DICK	10-5-98	7:30 A	CK	8:00 A	30 MIN
DICK	10-6-98	7:30 A	CLEAN/TEST	8:30 A	1 HR.
DICK	10-7-98	7:30 A	CLEAN/CK	8:00 A	30 MIN
DICK	10-9-98	7:30 A	CLEAN/CK	8:30 A	1 HR
DICK	10-10-98	7:30 A	CLEAN/TEST	8:30 A	1 HR
DICK	10-11-98	7:30 A	CLEAN/CK (CLEAN DIFFUSERS)	9:30 A	2 HRS
DICK	10-12-98	9:30 A	CK	10:00 A	30 MIN
DICK	10-13-98	7:30 A	CLEAN/CK	8:30 A	1 HR
DICK	10-14-98	8:30 A	CLEAN/CK	9:30 A	1 HR
DICK	10-16-98	7:30 A	CLEAN/CK (4 AIR BLANKETS BELT BRAKE)	8:30 A	1 HR
DICK	10-17-98	7:30 A	CLEAN/TEST	8:30 A	1 HR
DICK	10-18-98	7:30 A	CLEAN/CK	8:30 A	1 HR
DICK	10-19-98	7:30 A	CK	8:00 A	30 MIN
DICK	10-20-98	—	SLUDGE SCHOOL	—	10 HRS
BOB	10-20-98	—	" "	—	10 HRS
DICK	10-21-98	—	" "	—	10 HRS
TOTAL					

## TIME SHEET

## BIG BEAR WASTE WATER

PH 354-6414

NAME	DATE	TIME IN	WORK DONE	TIME OUT	TOTAL HRS
BOB	10-21-98	-	SLUDGE SCHOOL	-	10 HRS
BOB	10-22-98	7:30A	CK	8:00A	30 MIN
DICK	10-23-98	7:30A	CLEAN/TEST	8:30A	1 HR.
DICK	10-24-98	7:30A	CK	8:00A	30 MIN
DICK	10-25-98	7:30A	CLEAN/CK	9:30A	2 HRS
* DICK	10-26-98	7:30A	CLEAN/TEST	8:30A	1 HR
DICK	10-27-98	7:30A	CLEAN/CK	8:00A	30 MIN
DICK	10-29-98	7:30A	CK	8:00A	30 MIN
DICK	10-30-98	7:30A	CLEAN/CK	9:00A	1 HR. 30 MIN
DICK	11-2-98	7:30A	CK	8:00A	30 MIN
DICK	11-5-98	7:30A	CK	8:00A	30 MIN.
DICK	11-6-98	8:30A	CLEAN/CK	9:45A	1 HR. 15 MIN
DICK	11-9-98	7:30A	CK / TEST	8:00A	30 MIN
DICK	11-10-98	10:30A	CLEAN/CK	11:00A	30 MIN
BOB	11-1-98	-	RECORD KEEPING	-	15 HRS
DICK	11-11-98	8:00A	CLEAN/CK	8:30A	30 MIN.
DICK	11-12-98	7:30A	CK	7:45A	15 MIN.
DICK	11-13-98	3:15 P	CK	3:45 P	30 MIN
DICK	11-16-98	7:30A	CLEAN/ <del>TEST</del> <sup>PLUGGED RETURN</sup> / TEST	9:15A	1 HR. 45 MIN
DICK	11-17-98	7:30A	CK	8:00A	30 MIN
DICK	11-18-98	7:30A	CK	7:45A	15 MIN.
DICK	11-19-98	7:30A	CK	7:45A	15 MIN.
DICK	11-20-98	7:30A	CLEAN/CK	9:00A	1 HR. 30 MIN.
DICK	11-23-98	7:30A	CLEAN/TEST	8:30A	1 HR.
DICK	11-24-98	7:30A	TEST/SAMPLES	8:15A	45 MIN
DICK	11-25-98	7:30A	CK	7:45A	15 MIN
DICK	11-27-98	7:30A	CLEAN/CK.	8:45A	1 HR. 15 MIN
DICK	11-30-98	7:30A	CLEAN/CK.	8:00A	30 MIN
BOB	12-1-98	-	RECORD KEEPING	-	15 HRS.
DICK	12-1-98	7:30A	CLEAN/CK	8:00A	30 MIN.
DICK	12-2-98	7:30A	CLEAN/CK	8:15A	45 MIN
DICK	12-7-98	3:20 PM	CK	3:35 PM	15 MIN.
DICK	12-10-98	7:30A	CK	8:00A	30 MIN
TOTAL					

30 BIG BEAR RESORT RD

\* McLOY/McCOY

BENTON, KY 42025

TIME SHEET

BIG BEAR WASTE WATER

NAME	DATE	TIME IN	WORK DONE	TIME OUT	TOTAL HR.
DICK	12-11-98	9:00 AM	CLEAN / CK.	10:00 AM	1 HR.
DICK	12-14-98	11:00 AM	CLEAN / CK	12:00 PM	1 HR.
DICK	12-15-98	7:30 AM	CK	8:00 AM	30 MIN.
DICK	12-18-98	7:30 AM	CLEAN / TEST	9:00 AM	1 HR. 30 M.
DICK	12-21-98	7:30 AM	TEST / SAMPLES	8:30 A	1 HR
DICK	12-22-98	9:00 AM	CK	9:30 A	30 MIN.
DICK	12-28-98	7:30 AM	CLEAN / CK	9:30 A	2 HRS.
DICK	12-29-98	7:30 AM	CK	8:00 A	30 MIN.
DICK	12-30-98	7:30 AM	CK	8:00 A	30 MIN.
DICK	12-31-98	9:00 AM	CK	9:30 A	30 MIN.
<del>DICK</del>	<del>1-3-99</del>	<del>10:00 AM</del>	<del>CK</del>	<del>10:30 A</del>	<del>30 MIN.</del>
<del>DICK</del>	<del>1-4-99</del>	<del>7:30 AM</del>	<del>CK</del>	<del>8:00 A</del>	<del>30 MIN.</del>
<del>DICK</del>	<del>1-5-99</del>	<del>7:30 AM</del>	<del>CK</del>	<del>8:00 A</del>	<del>30 MIN.</del>
<del>DICK</del>	<del>1-6-99</del>	<del>7:30 AM</del>	<del>CK</del>	<del>8:00 A</del>	<del>30 MIN.</del>
BOB	1-6-99	—	RECORD KEEPING	—	15 HRS.
DICK	1-7-99	7:30 AM	CLEAN / CK	8:45 A	1 HR. 15 MIN
DICK	1-8-99	9:30 AM	CK / TEST	10:00 A	30 MIN.
DICK	1-11-99	7:30 AM	CK	8:00 A	30 MIN.
DICK	1-12-99	7:30 A	CK	7:45 A	15 MIN.
DICK	1-13-99	7:30 A	CK	7:45 A	15 MIN.
DICK	1-14-99	7:30 A	CK	7:45 A	15 MIN.
DICK	1-15-99	7:30 A	CK	7:45 A	15 MIN.
DICK	1-18-99	7:30 A	CK / TEST	8:00 A	30 MIN.
DICK	1-19-99	7:30 A	TEST / SAMPLES	8:00 A	30 MIN.
DICK	1-20-99	7:30 A	CK	7:45 A	15 MIN.
DICK	1-21-99	7:30 A	CK	7:45 A	15 MIN.
DICK	1-22-99	3:00 P	CK (WASHOUT) HWK TRAM	3:45 P	45 MIN.
DICK	1-25-99	7:30 A	CK	7:45 A	15 MIN.
DICK	1-26-99	7:30 A	CK	7:45 A	15 MIN.
DICK	1-27-99	7:30 A	CK	7:45 A	15 MIN.
DICK	1-28-99	7:30 A	CK	7:45 A	15 MIN.
DICK	1-29-99	8:00 A	CLEAN / TEST	9:30 A	1 HR. 30 M.
BOB	2-1-99	—	RECORD KEEPING	—	15 HRS.
TOTAL					

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 1

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS	FED WH	SWH 1	LWH 1	LWH 3	OTH EARN		
SS WH	MCARE WH	SUI WH	SDI WH	FUTA	SWH 2	LWH 2	LWH 4	OTH DEP		
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB					OTH LIAB	NET PAY	
Employee BOB Eastham, Robert E.										
125.00	0.00	0.00	0.00		Chk Date 01/20/98	Proc Date 02/04/98		0.00	Dept 1	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00		
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00		101.06
Chk Date 02/04/98 Proc Date 02/04/98										
125.00	0.00	0.00	0.00		Chk Date 02/04/98	Proc Date 02/04/98		0.00		
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00		
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00		101.06
Chk Date 03/12/98 Proc Date 03/12/98										
125.00	0.00	0.00	0.00		Chk Date 03/12/98	Proc Date 03/12/98		0.00		
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00		
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00		101.06
Chk Date 04/21/98 Proc Date 04/21/98										
125.00	0.00	0.00	0.00		Chk Date 04/21/98	Proc Date 04/21/98		0.00		
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00		
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00		101.06
Chk Date 05/18/98 Proc Date 05/18/98										
125.00	0.00	0.00	0.00		Chk Date 05/18/98	Proc Date 05/18/98		0.00		
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00		
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00		101.06
Chk Date 06/25/98 Proc Date 06/25/98										
125.00	0.00	0.00	0.00		Chk Date 06/25/98	Proc Date 06/25/98		0.00		
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00		
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00		101.06
Chk Date 07/21/98 Proc Date 07/21/98										
125.00	0.00	0.00	0.00		Chk Date 07/21/98	Proc Date 07/21/98		0.00		
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00		
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00		101.06
Chk Date 07/21/98 Proc Date 07/22/98										
125.00	0.00	0.00	0.00		Chk Date 07/21/98	Proc Date 07/22/98		0.00		
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00		
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00		101.06
Chk Date 08/24/98 Proc Date 08/24/98										
125.00	0.00	0.00	0.00		Chk Date 08/24/98	Proc Date 08/24/98		0.00		
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00		
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00		101.06
Chk Date 09/28/98 Proc Date 09/28/98										
125.00	0.00	0.00	0.00		Chk Date 09/28/98	Proc Date 09/28/98		0.00		
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00		
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00		101.06

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3699 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 2

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS						OTH EARN	
SS WH	MCARE WH	SUI WH	SDI WH	FED WH	SWH 1	LWH 1	LWH 3		OTH DED	
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	PUTA	SWH 2	LWH 2	LWH 4		OTH LIAB	NET PAY
Employee BOB Eastham, Robert E. (continued) Dept 1										
125.00	0.00	0.00	0.00							
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00			
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00			101.06
Chk Date 10/27/98 Proc Date 10/27/98										
125.00	0.00	0.00	0.00							
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00			
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00			101.06
Chk Date 11/25/98 Proc Date 11/25/98										
125.00	0.00	0.00	0.00							
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00			
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00			101.06
Chk Date 12/11/98 Proc Date 12/11/98										
125.00	0.00	0.00	0.00							
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00			
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00			101.06
-----										
1625.00	0.00	0.00	0.00							
100.75	23.53	0.00	0.00	130.00	32.50	8.19	0.00			
100.75	23.53	42.75	0.00	13.00	0.00	16.25	0.00			1313.78
Employee DICK Eastham, Richard L Dept 1										
222.97	0.00	0.00	0.00							
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00			198.12
Chk Date 03/12/98 Proc Date 03/12/98										
222.97	0.00	0.00	0.00							
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00			198.12
Chk Date 04/21/98 Proc Date 04/21/98										
222.97	0.00	0.00	0.00							
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00			198.12
Chk Date 05/18/98 Proc Date 05/18/98										
222.97	0.00	0.00	0.00							
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00			198.12
Chk Date 06/25/98 Proc Date 06/25/98										
222.97	0.00	0.00	0.00							
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00			198.12
Chk Date 07/21/98 Proc Date 07/21/98										
222.97	0.00	0.00	0.00							
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00			198.12
Chk Date 07/21/98 Proc Date 07/22/98										
222.97	0.00	0.00	0.00							
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00			198.12

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 3

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS						OTH EARN	
SS WH	MCARE WH	SUI WH	SDI WH	FED WH	SMH 1	LWH 1	LWH 3		OTH DED	
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	FUTA	SMH 2	LWH 2	LWH 4		OTH LIAB	NET PAY
-----										
Employee	DICK Emstham, Richard L			(continued)	Chk Date	08/24/98	Proc Date	08/24/98	Dept	1
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00	0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00	0.00	198.12
				Chk Date	09/28/98	Proc Date	09/28/98			
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00	0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00	0.00	198.12
				Chk Date	10/27/98	Proc Date	10/27/98			
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00	0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00	0.00	198.12
				Chk Date	11/25/98	Proc Date	11/25/98			
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00	0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00	0.00	198.12
				Chk Date	12/11/98	Proc Date	12/11/98			
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00	0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00	0.00	198.12
-----										
2452.67	0.00	0.00	0.00						0.00	
152.02	35.53	0.00	0.00	0.00	49.06	12.21	0.00	0.00	0.00	
152.02	35.53	73.59	0.00	19.58	0.00	24.53	0.00	0.00	0.00	2179.12
-----										
Employee	MJC Caldemeyer, M. Janet				Chk Date	01/20/98	Proc Date	02/04/98	Dept	2
100.00	0.00	0.00	0.00						0.00	
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00	0.00	
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00	0.00	78.85
				Chk Date	02/04/98	Proc Date	02/04/98			
100.00	0.00	0.00	0.00						0.00	
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00	0.00	
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00	0.00	78.85
				Chk Date	03/12/98	Proc Date	03/12/98			
100.00	0.00	0.00	0.00						0.00	
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00	0.00	
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00	0.00	78.85
				Chk Date	04/21/98	Proc Date	04/21/98			
100.00	0.00	0.00	0.00						0.00	
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00	0.00	
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00	0.00	78.85

Date : 08/04/99  
Time : 4:53 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 4

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS						OTH EARN	
SS WH	MCARE WH	SUI WH	SDI WH	FED WH	SWH 1	LWH 1	LWH 3	OTH DED		
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	FUTA	SWH 2	LWH 2	LWH 4	OTH LIAB	NET PAY	
Employee MJC	Caldemeyer, M. Janet (continued)			Chk Date	05/18/98	Proc Date	05/18/98	Dept	2	
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	06/25/98	Proc Date	06/25/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	07/21/98	Proc Date	07/21/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	07/21/98	Proc Date	07/22/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	08/24/98	Proc Date	08/24/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	09/28/98	Proc Date	09/28/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	10/27/98	Proc Date	10/27/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	11/25/98	Proc Date	11/25/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	12/11/98	Proc Date	12/11/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
-----										
1300.00	0.00	0.00	0.00					0.00		
80.60	18.85	0.00	0.00	130.00	26.00	6.50	0.00	0.00		
80.60	18.85	39.00	0.00	10.40	0.00	13.00	0.00	0.00		1025.05

Date: 08/04/99  
Time: 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 5

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS	FED WH	SWH 1	LWH 1	LWH 3	OTH EARN	OTH DED	OTH LIAB	NET PAY
SS WH	MCARE WH	SUI WH	SDI WH	FUTA	SWH 2	LWH 2	LWH 4				
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB								
Employee	RHONDA	Braddon, Rhonda						Dept	2		
50.00	0.00	0.00	0.00					0.00			
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00			
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00			44.42
				Chk Date	02/04/98	Proc Date	02/04/98				
50.00	0.00	0.00	0.00					0.00			
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00			
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00			44.42
				Chk Date	03/12/98	Proc Date	03/12/98				
50.00	0.00	0.00	0.00					0.00			
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00			
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00			44.42
				Chk Date	04/21/98	Proc Date	04/21/98				
50.00	0.00	0.00	0.00					0.00			
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00			
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00			44.42
				Chk Date	05/18/98	Proc Date	05/18/98				
50.00	0.00	0.00	0.00					0.00			
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00			
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00			44.42
				Chk Date	06/25/98	Proc Date	06/25/98				
50.00	0.00	0.00	0.00					0.00			
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00			
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00			44.42
				Chk Date	07/21/98	Proc Date	07/21/98				
50.00	0.00	0.00	0.00					0.00			
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00			
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00			44.42
				Chk Date	07/21/98	Proc Date	07/22/98				
50.00	0.00	0.00	0.00					0.00			
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00			
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00			44.42
				Chk Date	08/24/98	Proc Date	08/24/98				
50.00	0.00	0.00	0.00					0.00			
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00			
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00			44.42
				Chk Date	09/28/98	Proc Date	09/28/98				
50.00	0.00	0.00	0.00					0.00			
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00			
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00			44.42

Date: 08/04/99

BIG BEAR WASTEWATER INC.

Page no. 6

Time: 4:52 PM

3499 BIG BEAR HIGHWAY

BENTON, KY 42025

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS	FED WH	SWH 1	LWH 1	LWH 3	OTH EARN	NET PAY
SS WH	MCARE WH	SUI WH	SDI WH	FUTA	SWH 2	LWH 2	LWH 4	OTH DED	
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB					OTH LIAB	
Employee RHONDA	Brandon, Rhonda		(continued)	Chk Date	10/27/98	Proc Date	10/27/98	Dept	2
50.00	0.00	0.00	0.00					0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00	44.42
				Chk Date	11/25/98	Proc Date	11/25/98		
50.00	0.00	0.00	0.00					0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00	44.42
				Chk Date	12/11/98	Proc Date	12/11/98		
50.00	0.00	0.00	0.00					0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00	44.42
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
650.00	0.00	0.00	0.00					0.00	
40.30	9.49	0.00	0.00	0.00	13.00	3.25	0.00	0.00	
40.30	9.49	19.50	0.00	5.20	0.00	6.50	0.00	0.00	577.46
Employee ROM	Meier, Richard O.			Chk Date	01/20/98	Proc Date	02/04/98	Dept	3
300.00	0.00	0.00	0.00					0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	256.05
				Chk Date	02/04/98	Proc Date	02/04/98		
300.00	0.00	0.00	0.00					0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	256.05
				Chk Date	03/12/98	Proc Date	03/12/98		
300.00	0.00	0.00	0.00					0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	256.05
				Chk Date	04/21/98	Proc Date	04/21/98		
300.00	0.00	0.00	0.00					0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	256.05
				Chk Date	05/18/98	Proc Date	05/18/98		
300.00	0.00	0.00	0.00					0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	256.05
				Chk Date	06/25/98	Proc Date	06/25/98		
300.00	0.00	0.00	0.00					0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	256.05

Date: 08/04/99

Time: 4:52 PM

BIG BEAR WASTEWATER INC.

3499 BIG BEAR HIGHWAY

BENTON, KY 42025

Page no. 7

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS						OTH EARN	
SS WH	MCARE WH	SUI WH	SDI WH	FED WH	SWH 1	LWH 1	LWH 3		OTH DRD	
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	FUTA	SWH 2	LWR 2	LWH 4		OTH LIAB	NET PAY
Employee ROM	Meier, Richard O.			(continued)	Chk Date	07/21/98	Proc Date	07/21/98	Dept	3
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	0.00	256.05
				Chk Date	07/21/98	Proc Date	07/22/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	0.00	256.05
				Chk Date	08/24/98	Proc Date	08/24/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	0.00	256.05
				Chk Date	09/28/98	Proc Date	09/28/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	0.00	256.05
				Chk Date	10/27/98	Proc Date	10/27/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	0.00	256.05
				Chk Date	11/25/98	Proc Date	11/25/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	0.00	256.05
				Chk Date	12/11/98	Proc Date	12/11/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00	0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00	0.00	256.05
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
3900.00	0.00	0.00	0.00						0.00	
241.80	56.55	0.00	0.00	130.00	84.50	19.50	0.00	0.00	0.00	
241.80	56.55	117.00	0.00	11.20	0.00	39.00	0.00	0.00	0.00	3328.65
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
9927.67	0.00	0.00	0.00						0.00	
615.47	143.95	0.00	0.00	390.00	205.06	49.65	0.00	0.00	0.00	
615.47	143.95	297.84	0.00	79.38	0.00	99.28	0.00	0.00	0.00	8424.26



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

October 25, 1999

To: All parties of record

RE: Case No. 99-114

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

*Stephanie J. Bell*  
Stephanie Bell  
Secretary of the Commission

SB/sa  
Enclosure

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY 42025

Honorable John David Myles  
Counsel for The Dens Condominium  
413 Sixth Street  
Shelbyville, KY 40065

Hon. George L. Seay,  
WYATT, TARRANT & COMBS  
Taylor-Scott Building  
311 West Main Street  
Frankfort, KY 40601 1807

Hon. Penny R. Warren  
WYATT, TARRANT & COMBS  
250 West Main Street, Suite 1700  
Lexington, KY 40507 1746

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG BEAR WASTEWATER, )  
INC. FOR AN ADJUSTMENT OF RATES PURSUANT ) CASE NO.  
TO THE ALTERNATIVE RATE FILING PROCEDURE ) 99-114  
FOR SMALL UTILITIES )

O R D E R

On August 3, 1999, The Dens Condominium Association ("The Dens") served an information request on Big Bear Wastewater, Inc. ("Big Bear"). On August 9, 1999, Big Bear provided The Dens with some of the information requested, but filed an objection to the request. As grounds for its objection, Big Bear contends that the information has been previously made available to Staff and made a part of the Staff Report. It also contends that the proximity in time of the information request to the hearing date prevented it from filing all the information. Big Bear requests the Commission to issue an order directing that Big Bear not be required to produce the information requested or, in the alternative, that it be given a reasonable time in which to produce the information. The Dens filed a response to the objection on August 10, 1999 clarifying that the case had been set for an informal conference, not a hearing, and asserting that it must be given access to all appropriate information in order to comment effectively on the rate proposal.

After consideration of the record and being otherwise sufficiently advised, the Commission finds that:

1. The information request is reasonable and within the scope of the proceeding.

2. No compelling reason has been advanced to restrict or deny the information requested.

3. The Dens should be permitted a reasonable time to review the information and provide additional written comments to the Staff Report of June 3, 1999.

IT IS THEREFORE ORDERED that:

1. Within 10 days from the date of this Order, Big Bear shall file with the Commission, with a copy to The Dens, the information requested by The Dens on August 3, 1999.

2. The Dens shall have 20 days from the date of this Order to provide additional written comments to the Staff Report of June 3, 1999.

Done at Frankfort, Kentucky, this 25th day of October, 1999.

By the Commission

ATTEST:

  
Executive Director

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
SEP 10 1999  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC.            )  
ALTERNATIVE RATE FILING            )     CASE NO. 99-114

COMMENTS BY BIG BEAR WASTEWATER, INC.  
ON INFORMAL CONFERENCE ISSUES

Big Bear Wastewater, Inc. ("Big Bear"), by counsel, offers the following comments on the issues raised at the Informal Conference.

1.     The Dens Condominium Association ("The Dens") complained that the total of \$9,576.00 which Big Bear pays annually in salaries for Owner/Manager Fee and operations personnel was too high. It further complained that a print out of payroll showed double entries for all personnel in July and that Robert Eastman's time sheet shows fifteen hours per month for bookkeeping, but Janet Caldemeyer is also paid for bookkeeping.

As Mr. Lawless pointed out at the informal conference, the Commission carefully reviewed and approved the salaries in Big Bear's recent rate case (97-245). The only subsequent adjustment was to increase the total by \$446 to reflect current pay levels. The 1997 bid Big Bear obtained for routine plant operation and maintenance, not including any time for repairs or sludge removal, was \$11,400 and would be even higher today. Moreover, in Mr. Lawless' experience, the salaries are reasonable for plants of this size. In summary, The Dens' complaint about salaries is totally without merit. Nonetheless, the details of the complaint are addressed more fully below.

Big Bear's Application for Rate Adjustment ("Application") shows that the monthly salary for each employee was multiplied by 12 to arrive at the pro forma total of \$9576 (Application Attachment A). These same totals were used in the Staff Report (Page 2). Thus, these salary totals

were not determined by nor affected in any way by the payroll print out with the erroneous double entry for July. Big Bear acknowledges there was an error in the payroll document produced to The Dens in response to a request for documents. However, this error did not affect any of the salaries in the Application or Staff Report, as the erroneous document was not used for either.

Regarding Mr. Robert Eastman's time entries for bookkeeping, Big Bear states the term was used in a more generic sense than its common meaning. The activity Mr. Eastman was describing would more accurately be characterized as the record keeping and logs required by various laws and regulations for wastewater treatment plants.

Finally, The Dens argued that treatment plant volume fluctuates with the seasons and that salaries should be reduced during lower usage months. This claim presumes that certified wastewater treatment plant operators could be hired on an hourly basis and that the total hourly pay on an annual basis would be less than the proportion of the current full-time employees' salaries allocated to the treatment plant. It further presumes that routine operation and maintenance can be omitted when volume is reduced. These assumptions are without any factual support and are fatally flawed. The plant must operate year round and the employees must be available for maintenance and repairs year round. The 1997 bid for routine hourly work was substantially higher than the present salaries and did not include much of the necessary work currently being performed by Big Bear personnel. The Staff Recommendation regarding salaries is supported by the Commission's careful review during the recent rate case, by outside bids, and by staff experience. The Recommendation should be accepted.

2. The Dens complained that the allocation of depreciation to the Dens was excessive when compared to actual water usage by The Dens and potential usage by a marina pump out for boats which also uses the wastewater treatment plant. Big Bear reviewed usage of the marina pump out for the period January 1, 1999 to August 12, 1999 and found that only **two** boats used the pump

out service during that time. No reallocation of depreciation is warranted based on this minuscule use.

Moreover, Mr. Lawless explained the Division of Water standards for water usage by residential users on which he based his allocation of depreciation. He further noted that Big Bear is not being allowed to include all of its annual depreciation in its pro forma operations, since the plant was sized by the state for future growth (Report page 7).

The Dens' request that depreciation be allocated in accordance with actual water usage by the condominium residents is but a variation of the argument above that salaries for plant operations should be reduced in low volume months. Actual water usage for The Dens' residents may be low in the winter months, but the plant must continue to operate and be maintained all year round. It cannot be turned on and off each time a resident uses water, nor can it be shut down during months of low water usage. Moreover, Big Bear must have the capacity available all year in order to meet the high volume demands of The Dens' residents in the summer months. Capacity must be based on peaks, rather than average annual use, especially when monthly use fluctuates widely as it does here. Big Bear respectfully submits that the Staff Recommendation regarding allocation of depreciation is sound and is based upon logical, objective criteria. The Recommendation should be adopted.

Mr. Lawless raised the issue of whether the useful life of the plant should be extended because of the low usage in winter months and said he would seek advice from a staff engineer. Although Big Bear does not have the engineer's recommendation at this time, it is our understanding that the twenty-year life of the plant which was used for depreciation purposes is an "average" life and would be based upon a long history of experience. Absent solid evidence that some longer standard is more representative of the anticipated useful life of this plant, Big Bear respectfully submits that the twenty-year estimated useful life should not be changed. Wastewater treatment

plants involve metal structures standing in a corrosive environment. Twenty years may be the maximum time before rusting will likely result in substantial failure. It is also logical that periods of low flow could increase the corrosive environment and shorten the useful plant life. In any event, the Commission should not merely assume that variable flow will extend the useful life of the plant.

3. Finally, The Dens mentioned for the first time a \$16,000<sup>1</sup> "assessment" for the plant paid by Condo buildings 1-4. This contribution made several years ago toward the cost of the plant was overlooked by mistake when the rate application was filed. The purpose of the assessment was to cover the cost of a dissolved oxygen filter which was required as a result of the passage of new legislation the week the plant was approved. Upon reviewing the Purestream invoices on which the cost of the plant was based in the Staff Recommendation, Big Bear discovered after the informal conference that the filter cost was included in those invoices. This contribution in aid of construction should reduce the plant cost from \$95,604 to \$79,604 and depreciation should be reduced accordingly.

Respectfully submitted,

Penny R. Warren

George L. Seay, Jr.  
WYATT, TARRANT & COMBS  
Taylor-Scott Building  
311 West Main Street  
Frankfort, Kentucky 40601-1807

Penny R. Warren  
WYATT, TARRANT & COMBS  
250 West Main Street, Suite 1700  
Lexington, Kentucky 40507-1746  
606/233-2012

Counsel for Big Bear Wastewater, Inc.

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<sup>1</sup> The Minutes of the Informal conference discuss a contribution of \$18,000. Ms. Caldemeyer advised that the actual assessment was \$16,000.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served upon the following, by U.S. mail, postage prepaid, this 10<sup>th</sup> day of September, 1999:

Hon. John David Myles  
413 Sixth Street  
Shelbyville, Kentucky 40065

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

Penny R. Warren  
Counsel for Big Bear Wastewater, Inc.



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-1582

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

August 30, 1999

Penny R. Warren, Esq.  
George L. Seay, Jr., Esq.  
Wyatt, Tarrant & Combs  
250 W. Main Street, Suite 1700  
Lexington, Kentucky 40507-1746

John David Myles, Esq.  
413 Sixth Street  
Shelbyville, Kentucky 40065

Re: Case No. 99-114  
Big Bear Wastewater, Inc.

Dear Ms. Warren and Gentlemen:

Attached is a copy of the informal conference memorandum that is being filed into the record of the above-referenced case. If you have any comments that you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter. Should you have any questions, please contact Anita Mitchell at (502) 564-3940 extension 258.

Sincerely,

A handwritten signature in black ink that reads "Helen C. Helton".

Helen C. Helton  
Executive Director

alm  
Attachment



TO: Main Case File No. 99-114  
Big Bear Wastewater, Inc.

FROM: Anita Mitchell  
Staff Attorney

RE: Informal Conference

DATE: August 30, 1999

On August 10, 1999, the Commission held a conference in this case at the Commission's offices in Frankfort, Kentucky. Present were:

John David Myles	-	The Dens Condominium Association
John Stratman	-	The Dens Condominium Association
Penny Warren	-	Big Bear Wastewater
Reneé Curry	-	Public Service Commission
Scott Lawless	-	Public Service Commission
Anita Mitchell	-	Public Service Commission

Beginning the conference, Anita Mitchell stated that Commission Staff would prepare minutes of the conference for the case record, that a copy of the minutes would be provided to all parties, and that all parties would be given an opportunity to submit written comments upon the minutes.

Mr. Myles, attorney for The Dens Condominium Association ("The Dens"), began the discussion by commenting on the objection to production request and motion for protective order filed by Big Bear. He provided Staff with a copy of the response to the objection and motion he filed that date on behalf of The Dens. Mr. Myles then discussed the issues raised in the comments to the Staff Report filed by The Dens on June 24, 1999. He asserted that the salaries paid to the employees of Big Bear Wastewater, Inc. ("Big Bear") are too high, as they appear to be annualized figures taken from the high usage months. He then pointed out some items of concern noted on the time sheets provided by Big Bear. He stated that there appear to have been double payments made in July to every employee for a total of \$797.97. Ms. Penny Warren, attorney for Big Bear, was unable to provide an explanation for this, but agreed to check with her client and provide an explanation. Mr. Myles also questioned the timesheets for Robert Eastman. He pointed out that the timesheets indicate that Mr. Eastman is recording 15 hours per month for bookkeeping. He questioned what bookkeeping Mr. Eastman would be doing since others are paid for bookkeeping as well.

Mr. Myles also addressed the allocation of depreciation costs. He asserted that based on actual water usage the Commission Staff has allocated too much capacity to The Dens customers.

Scott Lawless, an employee of the Commission, addressed the issues raised by Mr. Myles. He explained that he performed the financial review of the utility and that, since the salaries were carefully reviewed and approved in Big Bear's previous rate case (97-245), he did not re-evaluate them. He stated that while he was not aware there had been double payments made to the employees in July, the extra payments would not change his calculations because he simply took the amount paid each employee per month and multiplied by 12 to calculate pro forma expenses. He stated that, based on his experience with similarly situated small wastewater utilities, he believes the salary levels at Big Bear are reasonable. He acknowledged the seasonal nature of the community served, but explained that the utility is still required to operate during the off season. In addition, he stated that Big Bear had sought and received a bid for plant operation and maintenance, which did not include sludge removal, from Purchase Public Development in 1997 for \$11,400.

Mr. Lawless then addressed the issue of the allocation of depreciation costs raised by Mr. Myles. He explained that in Big Bear's previous rate case the Commission did not allow recovery of the plant because Big Bear Wastewater, Inc. did not own the plant. In 1998 Big Bear sought and received approval to transfer the plant from Big Bear Resorts to Big Bear Wastewater and then filed this case to recover cost of plant. Mr. Lawless explained that he based his calculations on the Division of Water's predetermined gallon usage of 12,000 per month for residential users and not on actual usage as Mr. Myles suggested it should be based. Mr. Lawless mentioned that the Department of Water does use different figures for apartments and asked Mr. Stratman if he knew how many 2, 3 and 4 bedroom units made up The Dens. Mr. Stratman stated he does not have the information, but believes all units are 1800 square feet.

Mr. Lawless then stated that he did not take into consideration whether the low usage could extend the depreciation period on the plant. He stated that he would have to seek advice from an engineer on staff.

Mr. Stratman then expressed two concerns. He stated that it was his recollection that The Dens contributed \$18,000 toward the plant. Mr. Lawless responded by stating that if The Dens contributed to the plant, the contribution would have an impact on the amount recovered by Big Bear. Mr. Stratman agreed to look into the matter and provide documentation of the contribution if available. Mr. Stratman then mentioned that the marina has the only pump out station in the area and is allowing non-residents to use the system. He stated that since the law on discharge has changed, he believes this use of the pump station will increase. Mr. Lawless explained how customers are charged and that if the marina is using more than 12,000 units, it should be charged as more than one customer. Ms. Warren is to contact client and attempt to establish the amount used by the marina.

Commission Staff agreed to set forth in these minutes the information the participants agreed to produce. Ms. Warren agreed to provide an explanation for the payments made to the employees in July, 1998. She also agreed to contact her client

and provide, if possible, water usage information on the marina. Mr. Statman agreed to provide documentation of any contributions made by The Dens to the plant.

*John David Myles*  
*Attorney at Law*

413 SIXTH STREET  
SHELBYVILLE, KENTUCKY 40065

(502) 633-3252

August 10, 1999

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

RECEIVED

AUG 10 1999

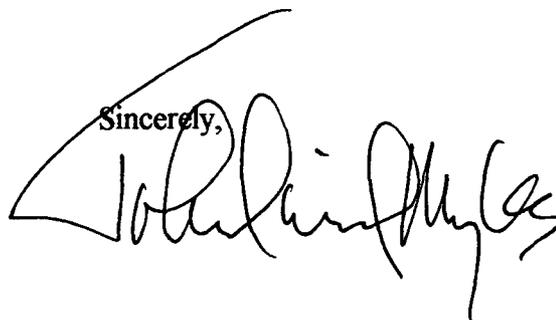
PUBLIC SERVICE  
COMMISSION

RE: Big Bear Wastewater, Inc.  
Alternative Rate Filing  
Case No. 99-114

Dear Ms. Helton:

Enclosed please find the original and ten copies of the The Dens Condominium Association's Response to Objection to Production Request and Motion for Protection Order.

Sincerely,



cc: Mr. John Stratman, President  
The Dens Condominium Association

COMMONWEALTH OF KENTUCKY  
Before the  
PUBLIC SERVICE COMMISSION

RECEIVED

AUG 10 1999

PUBLIC SERVICE  
COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC. )  
ALTERNATIVE RATE FILING ) CASE No. 99-114

RESPONSE TO OBJECTION TO PRODUCTION REQUEST  
AND MOTION FOR PROTECTION ORDER

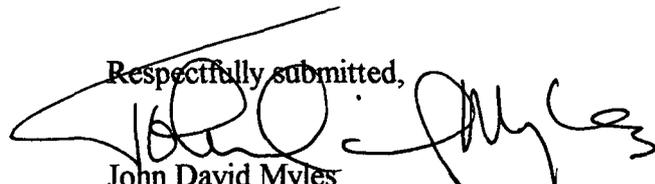
Comes now the Intervenor, The Dens Condominium Association, by Counsel, and for its Response to the objections of Applicant, Big Bear Wastewater, Inc., states as follows:

To the knowledge of Intervenor, this matter has not been set for hearing but rather, has been set for an informal conference with Commission Staff. Therefore, any objection based on the proximity in time of the Intervenor's production request and the hearing date is at least unavailing.

Counsel for the Applicant also appears to argue that it should not be required to produce the information sought because it has already given Commission Staff access to the information and Staff's analysis is set forth in its Staff Report. If this approach were the law, it would render intervention moot. However, an alternative rate filing does not relieve the utility of its burden of proof to show at hearing that its proposed rate increase is just and reasonable. See, KRS 278.190 (3). Intervenors can only contest this issue if they are given access to appropriate information upon which the rate proposal is based.

While Intervenor has no objection whatsoever to allowing Applicant a reasonable time in which to respond to the pending data request and any further data requests which may be appropriate prior to hearing in this matter, Intervenor strongly objects to any protective or protection order being entered at this time.

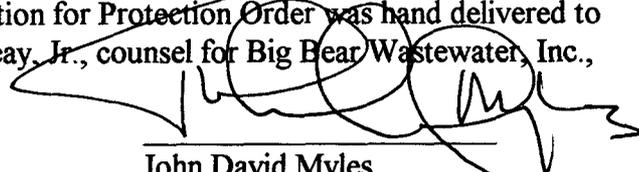
Respectfully submitted,



John David Myles  
Counsel for Intervenor  
413 Sixth Street  
Shelbyville, Kentucky 40065  
(502) 633-3252

#### CERTIFICATE OF SERVICE

This is to certify that a true and accurate copy of the foregoing Response to Objection to Production Request and Motion for Protection Order was hand delivered to Penny R. Warren, Esq., and George L. Seay, Jr., counsel for Big Bear Wastewater, Inc., this 10th day of August, 1999.



John David Myles  
Counsel for Movant

COMMONWEALTH OF KENTUCKY  
Before the  
PUBLIC SERVICE COMMISSION

RECEIVED

AUG 06 1999

PUBLIC SERVICE  
COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC.     )  
ALTERNATIVE RATE FILING     )

CASE NO. 99-144-  
99-114

OBJECTION TO PRODUCTION REQUEST AND  
MOTION FOR PROTECTION ORDER

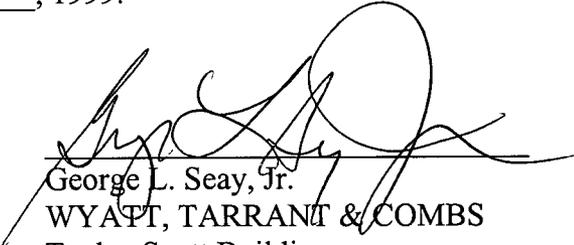
Comes the Applicant, Big Bear Wastewater, Inc., and files its objection to the request for information and production of documents filed by the "Dens." That request was only received by Counsel for the applicant on Wednesday, August 4, 1999. The hearing in this matter is set for August 10, 1999. The primary counsel representing the Applicant, the Hon. Penny R. Warren, will be out of state until late Friday afternoon, August 6, 1999. The undersigned counsel is unable to obtain all of the requested information in the short time that remains until the hearing in this matter because of other prior commitments.

It is further the belief of the undersigned counsel that much if not all of the substance of the information requested by the "Dens" is contained in the analysis and report that is being prepared by the staff in this matter and therefore that information has been previously been made available.

However, in an attempt to cooperate with the "Dens" the attached information is provided.

Wherefore, the applicant Big Bear Wastewater, Inc. moves for a protective order from the commission directing that it not be required to produce the information requested by the "Dens", or in the alternative that such information is required to be produced that it be given reasonable and sufficient time to produce that information and documentation.

So moved, this the 5<sup>th</sup> day of August, 1999.

  
George L. Seay, Jr.  
WYATT, TARRANT & COMBS  
Taylor-Scott Building  
311 West Main Street  
Frankfort, Kentucky 40601-1807

Penny R. Warren  
WYATT, TARRANT & COMBS  
250 West Main Street, Suite 1700  
Lexington, Kentucky 40507-1746

Counsel for Big Bear Wastewater, Inc.

#### CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of Entry of Appearance was served upon the following individuals, by U.S. mail, postage prepaid, this 5<sup>th</sup> day of August, 1999.

Hon. John David Myles  
413 Sixth Street  
Shelbyville, Kentucky 40065

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

Ms. Janet Caldemeyer, Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, Kentucky 42025

  
Counsel for Big Bear Wastewater, Inc.

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no 1

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS	FED WH	SWH 1	LWH 1	LWH 3	OTH EARN			
SS WH	MCARE WH	SUI WH	SDI WH					OTH DED			
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	FUTA	SWH 2	LWH 2	LWH 4	OTH LIAB	NET PAY		
-----											
Employee	BOB	Eastham, Robert E.			Chk Date	01/20/98	Proc Date	02/04/98	Dept	1	
125.00	0.00	0.00	0.00					0.00			
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00			
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06		
Chk Date 02/04/98 Proc Date 02/04/98											
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7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06		
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7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06		
Chk Date 04/21/98 Proc Date 04/21/98											
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7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06		
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7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06		
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7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06		
Chk Date 07/21/98 Proc Date 07/21/98											
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7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00			
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06		
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7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06		

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 2

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS						OTH EARN	
SS WH	MCARE WH	SUI WH	SDI WH	FED WH	SWH 1	LWH 1	LWH 3		OTH DED	
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	PUTA	SWH 2	LWH 2	LWH 4		OTH LIAB	NET PAY
-----										
Employee BOB	Eastham, Robert E.			(continued)	Chk Date	10/27/98	Proc Date	10/27/98	Dept	1
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7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00		0.00	
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7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00		0.00	101.06
-----										
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100.75	23.53	48.75	0.00	13.00	0.00	16.25	0.00		0.00	1313.78
-----										
Employee DICK	Eastham, Richard L				Chk Date	03/12/98	Proc Date	03/12/98	Dept	1
222.97	0.00	0.00	0.00						0.00	
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13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00		0.00	198.12
				Chk Date	04/21/98	Proc Date	04/21/98			
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13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00		0.00	198.12
				Chk Date	07/21/98	Proc Date	07/21/98			
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00		0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00		0.00	198.12
				Chk Date	07/21/98	Proc Date	07/22/98			
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00		0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00		0.00	198.12
-----										

Date : 08/04/99  
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BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 3

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS	FED WH	SWH 1	LWH 1	LWH 3	OTH EARN	OTH DED	OTH LIAB	NET PAY
SS WH	MCARE WH	SUI WH	SDI WH	FUTA	SWH 2	LWH 2	LWH 4				
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB								
-----											
Employee	DICK Eastham, Richard L			(continued)	Chk Date	08/24/98	Proc Date	08/24/98	Dept	1	
222.97	0.00	0.00	0.00					0.00			
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00			198.12
				Chk Date	09/28/98	Proc Date	09/28/98				
222.97	0.00	0.00	0.00					0.00			
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00			198.12
				Chk Date	10/27/98	Proc Date	10/27/98				
222.97	0.00	0.00	0.00					0.00			
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00			198.12
				Chk Date	11/25/98	Proc Date	11/25/98				
222.97	0.00	0.00	0.00					0.00			
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00			198.12
				Chk Date	12/11/98	Proc Date	12/11/98				
222.97	0.00	0.00	0.00					0.00			
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00			
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00			198.12
-----											
2452.67	0.00	0.00	0.00					0.00			
152.02	35.53	0.00	0.00	0.00	49.06	12.21	0.00	0.00			
152.02	35.53	73.59	0.00	19.58	0.00	24.53	0.00	0.00			2179.32
-----											
Employee	MJC Caldemeyer, M. Janet				Chk Date	01/20/98	Proc Date	02/04/98	Dept	2	
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
				Chk Date	02/04/98	Proc Date	02/04/98				
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
				Chk Date	03/12/98	Proc Date	03/12/98				
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
				Chk Date	04/21/98	Proc Date	04/21/98				
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 4

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS						OTH EARN	
SS WH	MCARE WH	SUI WH	SDI WH	FED WH	SWH 1	LWH 1	LWH 3	OTH DED		
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	FUTA	SWH 2	LWH 2	LWH 4	OTH LIAB	NET PAY	
Employee MJC	Caldemeyer, M. Janet (continued)			Chk Date	05/18/98	Proc Date	05/18/98	Dept	2	
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	06/25/98	Proc Date	06/25/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	07/21/98	Proc Date	07/21/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	07/21/98	Proc Date	07/22/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	08/24/98	Proc Date	08/24/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	09/28/98	Proc Date	09/28/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	10/27/98	Proc Date	10/27/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	11/25/98	Proc Date	11/25/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
				Chk Date	12/11/98	Proc Date	12/11/98			
100.00	0.00	0.00	0.00					0.00		
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00		
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00		78.85
1300.00	0.00	0.00	0.00					0.00		
80.60	18.85	0.00	0.00	130.00	26.00	6.50	0.00	0.00		
80.60	18.85	39.00	0.00	10.40	0.00	13.00	0.00	0.00		1025.05

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 5

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS	FED WH	SWH 1	LWH 1	LWH 3	OTH EARN	OTH DED	NET PAY
SS WH	MCARE WH	SUI WH	SDI WH	FUTA	SWH 2	LWH 2	LWH 4	OTH LIAB		
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB							
Employee	RHONDA	Brandon, Rhonda								
				Chk Date	01/20/98	Proc Date	02/04/98	Dept	2	
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	02/04/98	Proc Date	02/04/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	03/12/98	Proc Date	03/12/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	04/21/98	Proc Date	04/21/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	05/18/98	Proc Date	05/18/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	06/25/98	Proc Date	06/25/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	07/21/98	Proc Date	07/21/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	07/21/98	Proc Date	07/22/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	08/24/98	Proc Date	08/24/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	09/28/98	Proc Date	09/28/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 6

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS						OTH EARN	
SS WH	MCARE WH	SUI WH	SDI WH	FED WH	SWH 1	LWH 1	LWH 3		OTH DED	
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	FUTA	SWH 2	LWH 2	LWH 4		OTH LIAB	NET PAY
Employee RHONDA	Brandon, Rhonda		(continued)	Chk Date	10/27/98	Proc Date	10/27/98	Dept	2	
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	11/25/98	Proc Date	11/25/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	12/11/98	Proc Date	12/11/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
650.00	0.00	0.00	0.00						0.00	
40.30	9.49	0.00	0.00	0.00	13.00	3.25	0.00		0.00	
40.30	9.49	19.50	0.00	5.20	0.00	6.50	0.00		0.00	577.46
Employee ROM	Meier, Richard O.			Chk Date	01/20/98	Proc Date	02/04/98	Dept	3	
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
				Chk Date	02/04/98	Proc Date	02/04/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
				Chk Date	03/12/98	Proc Date	03/12/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
				Chk Date	04/21/98	Proc Date	04/21/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
				Chk Date	05/18/98	Proc Date	05/18/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
				Chk Date	06/25/98	Proc Date	06/25/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05

Date: 08/04/99  
Time: 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 7

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS					OTH EARN		
SS WH	MCARE WH	SUI WH	SDI WH	FED WH	SWH 1	LWH 1	LWH 3	OTH DED		
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	FUTA	SWH 2	LWH 2	LWH 4	OTH LIAB	NET PAY	
Employee ROM	Meier, Richard O.			(continued)	Chk Date	07/21/98	Proc Date	07/21/98	Dept	3
300.00	0.00	0.00	0.00							
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00		
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00		256.05
				Chk Date	07/21/98	Proc Date	07/22/98			
300.00	0.00	0.00	0.00					0.00		
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00		
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00		256.05
				Chk Date	08/24/98	Proc Date	08/24/98			
300.00	0.00	0.00	0.00					0.00		
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00		
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00		256.05
				Chk Date	09/28/98	Proc Date	09/28/98			
300.00	0.00	0.00	0.00					0.00		
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00		
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00		256.05
				Chk Date	10/27/98	Proc Date	10/27/98			
300.00	0.00	0.00	0.00					0.00		
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00		
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00		256.05
				Chk Date	11/25/98	Proc Date	11/25/98			
300.00	0.00	0.00	0.00					0.00		
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00		
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00		256.05
				Chk Date	12/11/98	Proc Date	12/11/98			
300.00	0.00	0.00	0.00					0.00		
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00	0.00		
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00	0.00		256.05
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
3900.00	0.00	0.00	0.00					0.00		
241.80	56.55	0.00	0.00	130.00	84.50	19.50	0.00	0.00		
241.80	56.55	117.00	0.00	31.20	0.00	39.00	0.00	0.00		3328.65
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
9927.67	0.00	0.00	0.00					0.00		
615.47	143.95	0.00	0.00	390.00	205.06	49.65	0.00	0.00		
615.47	143.95	297.84	0.00	79.38	0.00	99.28	0.00	0.00		8424.26

COMMONWEALTH OF KENTUCKY  
Before the  
PUBLIC SERVICE COMMISSION

RECEIVED

AUG 09 1999

PUBLIC SERVICE  
COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC. )  
ALTERNATIVE RATE FILING )

CASE NO. 99-144

99-114

**OBJECTION TO PRODUCTION REQUEST AND  
MOTION FOR PROTECTION ORDER**

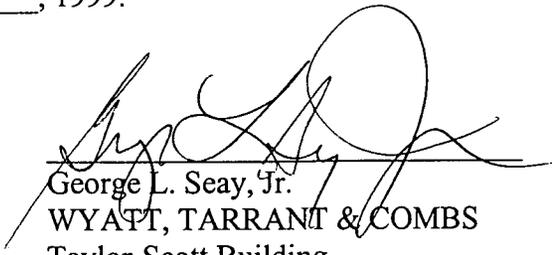
Comes the Applicant, Big Bear Wastewater, Inc., and files its objection to the request for information and production of documents filed by the "Dens." That request was only received by Counsel for the applicant on Wednesday, August 4, 1999. The hearing in this matter is set for August 10, 1999. The primary counsel representing the Applicant, the Hon. Penny R. Warren, will be out of state until late Friday afternoon, August 6, 1999. The undersigned counsel is unable to obtain all of the requested information in the short time that remains until the hearing in this matter because of other prior commitments.

It is further the belief of the undersigned counsel that much if not all of the substance of the information requested by the "Dens" is contained in the analysis and report that is being prepared by the staff in this matter and therefore that information has been previously been made available.

However, in an attempt to cooperate with the "Dens" the attached information is provided.

Wherefore, the applicant Big Bear Wastewater, Inc. moves for a protective order from the commission directing that it not be required to produce the information requested by the "Dens", or in the alternative that such information is required to be produced that it be given reasonable and sufficient time to produce that information and documentation.

So moved, this the 5<sup>th</sup> day of August, 1999.

  
George L. Seay, Jr.  
WYATT, TARRANT & COMBS  
Taylor-Scott Building  
311 West Main Street  
Frankfort, Kentucky 40601-1807

Penny R. Warren  
WYATT, TARRANT & COMBS  
250 West Main Street, Suite 1700  
Lexington, Kentucky 40507-1746

Counsel for Big Bear Wastewater, Inc.

#### CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of Entry of Appearance was served upon the following individuals, by U.S. mail, postage prepaid, this 5<sup>th</sup> day of August, 1999.

Hon. John David Myles  
413 Sixth Street  
Shelbyville, Kentucky 40065

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

Ms. Janet Caldemeyer, Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, Kentucky 42025

  
Counsel for Big Bear Wastewater, Inc.

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no 1

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS	FED WH	SWH 1	LWH 1	LWH 3	OTH EARN	NET PAY
SS WH	MCARE WH	SUI WH	SDI WH	FUTA	SWH 2	LWH 2	LWH 4	OTH DED	
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB					OTH LIAB	
Employee BOB	Eastham, Robert E.			Chk Date	01/20/98	Proc Date	02/04/98	Dept 1	
125.00	0.00	0.00	0.00					0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06
				Chk Date	02/04/98	Proc Date	02/04/98		
125.00	0.00	0.00	0.00					0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06
				Chk Date	03/12/98	Proc Date	03/12/98		
125.00	0.00	0.00	0.00					0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06
				Chk Date	04/21/98	Proc Date	04/21/98		
125.00	0.00	0.00	0.00					0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06
				Chk Date	05/18/98	Proc Date	05/18/98		
125.00	0.00	0.00	0.00					0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06
				Chk Date	06/25/98	Proc Date	06/25/98		
125.00	0.00	0.00	0.00					0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06
				Chk Date	07/21/98	Proc Date	07/21/98		
125.00	0.00	0.00	0.00					0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06
				Chk Date	07/21/98	Proc Date	07/22/98		
125.00	0.00	0.00	0.00					0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06
				Chk Date	08/24/98	Proc Date	08/24/98		
125.00	0.00	0.00	0.00					0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06
				Chk Date	09/28/98	Proc Date	09/28/98		
125.00	0.00	0.00	0.00					0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00	0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00	0.00	101.06

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 2

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS						OTH EARN	
SS WH	MCARE WH	SUI WH	SDI WH	FED WH	SWH 1	LWH 1	LWH 3		OTH DED	
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	PUTA	SWH 2	LWH 2	LWH 4		OTH LIAB	NET PAY
Employee BOB	Eastham, Robert E. (continued)			Chk Date	10/27/98	Proc Date	10/27/98	Dept	1	
125.00	0.00	0.00	0.00						0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00		0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00		0.00	101.06
				Chk Date	11/25/98	Proc Date	11/25/98			
125.00	0.00	0.00	0.00						0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00		0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00		0.00	101.06
				Chk Date	12/11/98	Proc Date	12/11/98			
125.00	0.00	0.00	0.00						0.00	
7.75	1.81	0.00	0.00	10.00	2.50	0.63	0.00		0.00	
7.75	1.81	3.75	0.00	1.00	0.00	1.25	0.00		0.00	101.06
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1625.00	0.00	0.00	0.00						0.00	
100.75	23.53	0.00	0.00	130.00	32.50	8.19	0.00		0.00	
100.75	23.53	48.75	0.00	13.00	0.00	16.25	0.00		0.00	1313.78
Employee DICK	Eastham, Richard L.			Chk Date	03/12/98	Proc Date	03/12/98	Dept	1	
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00		0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00		0.00	198.12
				Chk Date	04/21/98	Proc Date	04/21/98			
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00		0.00	
<del>13.82</del>	<del>3.23</del>	<del>6.69</del>	<del>0.00</del>	1.78	0.00	2.23	0.00		0.00	198.12
				Chk Date	05/18/98	Proc Date	05/18/98			
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00		0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00		0.00	198.12
				Chk Date	06/25/98	Proc Date	06/25/98			
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00		0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00		0.00	198.12
				Chk Date	07/21/98	Proc Date	07/21/98			
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00		0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00		0.00	198.12
				Chk Date	07/21/98	Proc Date	07/22/98			
222.97	0.00	0.00	0.00						0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00		0.00	
<del>13.82</del>	<del>3.23</del>	<del>6.69</del>	<del>0.00</del>	1.78	0.00	2.23	0.00		0.00	198.12

Date : 08/04/99

BIG BEAR WASTEWATER INC.

Page no. 3

Time : 4:52 PM

3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS	FED WH	SWH 1	LWH 1	LWH 3	OTH EARN	NET PAY
SS WH	MCARE WH	SUI WH	SDI WH	FUTA	SWH 2	LWH 2	LWH 4	OTH DED	
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB					OTH LIAB	
Employee	DICK	Eastham, Richard L		(continued)	Chk Date	08/24/98	Proc Date	08/24/98	Dept 1
222.97	0.00	0.00	0.00					0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00	198.12
				Chk Date	09/28/98	Proc Date	09/28/98		
222.97	0.00	0.00	0.00					0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00	198.12
				Chk Date	10/27/98	Proc Date	10/27/98		
222.97	0.00	0.00	0.00					0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00	198.12
				Chk Date	11/25/98	Proc Date	11/25/98		
222.97	0.00	0.00	0.00					0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00	198.12
				Chk Date	12/11/98	Proc Date	12/11/98		
222.97	0.00	0.00	0.00					0.00	
13.82	3.23	0.00	0.00	0.00	4.46	1.11	0.00	0.00	
13.82	3.23	6.69	0.00	1.78	0.00	2.23	0.00	0.00	198.12
-----									
2452.67	0.00	0.00	0.00					0.00	
152.02	35.53	0.00	0.00	0.00	49.06	12.21	0.00	0.00	
152.02	35.53	73.59	0.00	19.58	0.00	24.53	0.00	0.00	2179.32
-----									
Employee	MJC	Caldemeyer, M. Janet			Chk Date	01/20/98	Proc Date	02/04/98	Dept 2
100.00	0.00	0.00	0.00					0.00	
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00	
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00	78.85
				Chk Date	02/04/98	Proc Date	02/04/98		
100.00	0.00	0.00	0.00					0.00	
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00	
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00	78.85
				Chk Date	03/12/98	Proc Date	03/12/98		
100.00	0.00	0.00	0.00					0.00	
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00	
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00	78.85
				Chk Date	04/21/98	Proc Date	04/21/98		
100.00	0.00	0.00	0.00					0.00	
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00	
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00	78.85

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 4

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS	FED WH	SWH 1	LWH 1	LWH 3	OTH EARN	OTH DED	OTH LIAB	NET PAY
SS WH	MCARE WH	SUI WH	SDI WH	FUTA	SWH 2	LWH 2	LWH 4				
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB								
Employee MJC	Caldemeyer, M. Janet (continued)			Chk Date	05/18/98	Proc Date	05/18/98	Dept	2		
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
				Chk Date	06/25/98	Proc Date	06/25/98				
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
				Chk Date	07/21/98	Proc Date	07/21/98				
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
				Chk Date	07/21/98	Proc Date	07/22/98				
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
				Chk Date	08/24/98	Proc Date	08/24/98				
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
				Chk Date	09/28/98	Proc Date	09/28/98				
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
				Chk Date	10/27/98	Proc Date	10/27/98				
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
				Chk Date	11/25/98	Proc Date	11/25/98				
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
				Chk Date	12/11/98	Proc Date	12/11/98				
100.00	0.00	0.00	0.00					0.00			
6.20	1.45	0.00	0.00	10.00	2.00	0.50	0.00	0.00			
6.20	1.45	3.00	0.00	0.80	0.00	1.00	0.00	0.00			78.85
1300.00	0.00	0.00	0.00					0.00			
80.60	18.85	0.00	0.00	130.00	26.00	6.50	0.00	0.00			
80.60	18.85	39.00	0.00	10.40	0.00	13.00	0.00	0.00			1025.05

Date : 08/04/99  
 Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
 3499 BIG BEAR HIGHWAY  
 BENTON, KY 42025

Page no. 5

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS						OTH EARN	
SS WH	MCARE WH	SUI WH	SDI WH	PED WH	SWH 1	LWH 1	LWH 3	OTH DED		
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	FUTA	SWH 2	LWH 2	LWH 4	OTH LIAB	NET PAY	
Employee	RHONDA	Brandon, Rhonda			Chk Date	01/20/98	Proc Date	02/04/98	Dept	2
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00		
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00		44.42
				Chk Date	02/04/98	Proc Date	02/04/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00		
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00		44.42
				Chk Date	03/12/98	Proc Date	03/12/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00		
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00		44.42
				Chk Date	04/21/98	Proc Date	04/21/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00		
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00		44.42
				Chk Date	05/18/98	Proc Date	05/18/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00		
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00		44.42
				Chk Date	06/25/98	Proc Date	06/25/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00		
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00		44.42
				Chk Date	07/21/98	Proc Date	07/21/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00		
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00		44.42
				Chk Date	07/21/98	Proc Date	07/22/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00		
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00		44.42
				Chk Date	08/24/98	Proc Date	08/24/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00		
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00		44.42
				Chk Date	09/28/98	Proc Date	09/28/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00	0.00		
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00	0.00		44.42

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no. 6

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS						OTH EARN	
SS WH	MCARE WH	SUI WH	SDI WH	FED WH	SWH 1	LWH 1	LWH 3		OTH DED	
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	FUTA	SWH 2	LWH 2	LWH 4		OTH LIAB	NET PAY
Employee RHONDA	Brandon, Rhonda		(continued)	Chk Date	10/27/98	Proc Date	10/27/98	Dept	2	
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	11/25/98	Proc Date	11/25/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
				Chk Date	12/11/98	Proc Date	12/11/98			
50.00	0.00	0.00	0.00						0.00	
3.10	0.73	0.00	0.00	0.00	1.00	0.25	0.00		0.00	
3.10	0.73	1.50	0.00	0.40	0.00	0.50	0.00		0.00	44.42
650.00	0.00	0.00	0.00						0.00	
40.30	9.49	0.00	0.00	0.00	13.00	3.25	0.00		0.00	
40.30	9.49	19.50	0.00	5.20	0.00	6.50	0.00		0.00	577.46
Employee ROM	Meier, Richard O.			Chk Date	01/20/98	Proc Date	02/04/98	Dept	3	
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
				Chk Date	02/04/98	Proc Date	02/04/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
				Chk Date	03/12/98	Proc Date	03/12/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
				Chk Date	04/21/98	Proc Date	04/21/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
				Chk Date	05/18/98	Proc Date	05/18/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
				Chk Date	06/25/98	Proc Date	06/25/98			
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05

Date : 08/04/99  
Time : 4:52 PM

BIG BEAR WASTEWATER INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025

Page no 7

Payroll Detail Report (Sorted by Code - Ranked by Date)

REG EARN	OVT 1	OVT 2	TIPS						OTH EARN	
SS WH	MCARE WH	SUI WH	SDI WH	FED WH	SWH 1	LWH 1	LWH 3		OTH DED	
SS LIAB	MCARE LIAB	SUI LIAB	SDI LIAB	PUTA	SWH 2	LWH 2	LWH 4		OTH LIAB	NET PAY
Employee ROM	Meier, Richard O.			(continued)	Chk Date	07/21/98	Proc Date	07/21/98	Dept	3
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
					Chk Date	07/21/98	Proc Date	07/22/98		
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
					Chk Date	08/24/98	Proc Date	08/24/98		
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
					Chk Date	09/28/98	Proc Date	09/28/98		
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
					Chk Date	10/27/98	Proc Date	10/27/98		
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
					Chk Date	11/25/98	Proc Date	11/25/98		
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
					Chk Date	12/11/98	Proc Date	12/11/98		
300.00	0.00	0.00	0.00						0.00	
18.60	4.35	0.00	0.00	10.00	6.50	1.50	0.00		0.00	
18.60	4.35	9.00	0.00	2.40	0.00	3.00	0.00		0.00	256.05
-----										
3900.00	0.00	0.00	0.00						0.00	
241.80	56.55	0.00	0.00	130.00	84.50	19.50	0.00		0.00	
241.80	56.55	117.00	0.00	31.20	0.00	39.00	0.00		0.00	3328.65
=====										
9927.67	0.00	0.00	0.00						0.00	
615.47	143.95	0.00	0.00	390.00	205.06	49.65	0.00		0.00	
615.47	143.95	297.84	0.00	79.38	0.00	99.28	0.00		0.00	8424.26

*John David Myles*  
*Attorney at Law*

413 SIXTH STREET  
SHELBYVILLE, KENTUCKY 40065

(502) 633-3252

August 2, 1999

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

RECEIVED

AUG 03 1999

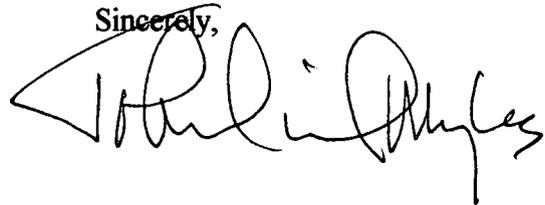
PUBLIC SERVICE  
COMMISSION

RE: Big Bear Wastewater, Inc.  
Alternative Rate Filing  
Case No. 99-114

Dear Ms. Helton:

Enclosed please find the original and ten copies of the The Dens Condominium Association's Information Request to Big Bear Wastewater, Inc.

Sincerely,



cc: Mr. John Stratman, President  
The Dens Condominium Association

COMMONWEALTH OF KENTUCKY  
Before the  
PUBLIC SERVICE COMMISSION

RECEIVED

AUG 03 1999

PUBLIC SERVICE  
COMMISSION

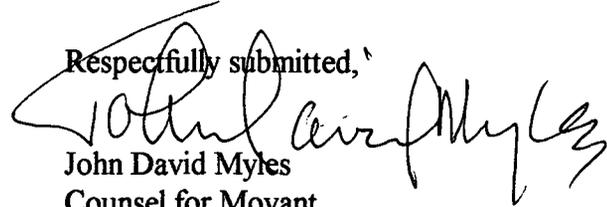
In the Matter of:

BIG BEAR WASTEWATER, INC. )  
ALTERNATIVE RATE FILING ) CASE No. 99-114

THE DENS CONDOMINIUM ASSOCIATION'S INFORMATION  
REQUEST TO BIG BEAR WASTEWATER, INC.

1. Provide copies of time sheets, time cards, and any other records of the time worked by the employees of Big Bear Wastewater, Inc., as listed in Attachment A to Commission Staff Report No. 99-114 for the calendar year ending December 31, 1998, and copies of the same documents relating to any other persons who were employed by Big Bear Wastewater, Inc., during that period.
2. Identify any hours for which Big Bear Wastewater, Inc., paid its employees which were performed in whole or in part for the benefit of other related (including but not limited to Big Bear Resort, Inc. and Big Bear Development, Inc.) or unrelated entities other than Big Bear Wastewater, Inc.
3. Provide the hourly rates paid to each employee of Big Bear Wastewater, Inc., during calendar year 1998.

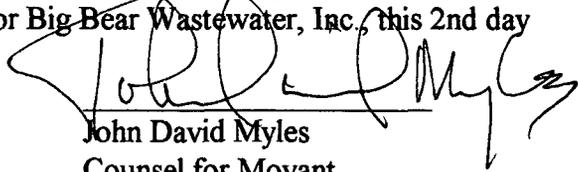
Respectfully submitted,



John David Myles  
Counsel for Movant  
413 Sixth Street  
Shelbyville, Kentucky 40065  
(502) 633-3252

CERTIFICATE OF SERVICE

This is to certify that a true and accurate copy of the foregoing Information Request has been mailed, first class postage prepaid to Penny R. Warren, Esq., Wyatt, Tarrant & Combs, 250 West Main Street, Suite 1700, Lexington, Kentucky 40507, and George L. Seay, Jr., Wyatt, Tarrant & Combs, Taylor-Scott Building, 311 West Main Street, Frankfort, Kentucky 40601, counsel for Big Bear Wastewater, Inc., this 2nd day of August, 1999.



John David Myles  
Counsel for Movant



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

July 22, 1999

To: All parties of record

RE: Case No. 99-114

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie J. Bell".

Stephanie Bell  
Secretary of the Commission

SB/sa  
Enclosure

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY 42025

Honorable John David Myles  
Counsel for The Dens Condominium  
413 Sixth Street  
Shelbyville, KY 40065

Hon. George L. Seay,  
WYATT, TARRANT & COMBS  
Taylor-Scott Building  
311 West Main Street  
Frankfort, KY 40601 1807

Hon. Penny R. Warren  
WYATT, TARRANT & COMBS  
250 West Main Street, Suite 1700  
Lexington, KY 40507 1746

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC.        )  
ALTERNATIVE RATE FILING        )     CASE NO. 99-114

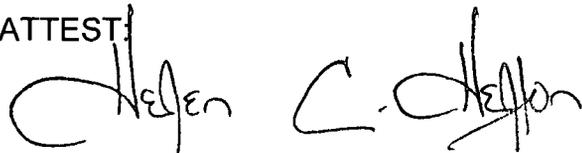
O R D E R

The Commission, on its own motion, HEREBY ORDERS that the informal conference scheduled on July 27, 1999 at 9:00 a.m. is hereby rescheduled to August 10, 1999 at 9:00 a.m., Eastern Daylight Time, in Conference Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 22nd day of July, 1999.

By the Commission

ATTEST:



Executive Director

# WYATT, TARRANT & COMBS

1700 LEXINGTON FINANCIAL CENTER  
LEXINGTON, KENTUCKY 40507-1740

606 233-2012  
FAX: 606 259-0649

CITIZENS PLAZA  
LOUISVILLE, KY 40202-2898  
502 589-5235

TAYLOR-SCOTT BUILDING  
FRANKFORT, KY 40601-1807  
502 223-2104

ELSBY BUILDING  
NEW ALBANY, IN 47150-3440  
812 945-3561

1500 NASHVILLE CITY CENTER  
NASHVILLE, TN 37219-1750  
615 244-0020

29 MUSIC SQUARE EAST  
NASHVILLE, TN 37203-4322  
615 255-6161

313 E. MAIN STREET, SUITE 1  
HENDERSONVILLE, TN 37075-2546  
615 822-8822

6075 POPLAR AVENUE, SUITE 650  
MEMPHIS, TN 38119-4721  
901 537-1000

10368 WALLACE ALLEY STREET, SUITE 6  
KINGSPORT, TN 37663-3977  
423 279-1825

WRITER'S DIRECT DIAL NUMBER

Penny R. Warren

606 288-7404

pwarren@wyattfirm.com

## Transmittal Memorandum

TO: Stephanie Bell, Secretary of Public Service Commission  
Commonwealth of Kentucky

From: Penny R. Warren

Date: July 13, 1999

Re: **The Application of Big Bear Wastewater, Inc. for an Adjustment  
of Rates Pursuant to the Alternative Rate Filing Procedure for  
Small Utilities**  
Docket No. ~~99-114~~ 99-114

Enclosures: Ten originals and one copy

**Entry of Appearance  
and  
Response to Motion to Reschedule Informal Conference**

Please file and return file-stamped copy in the envelope provided.

Please call me immediately upon receipt at:

For your information and file

Please acknowledge receipt by signature below and return to me

Please sign and forward to:

**Thanks.**

COMMONWEALTH OF KENTUCKY  
Before the  
PUBLIC SERVICE COMMISSION

RECEIVED  
JUL 14 1999  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC. )  
ALTERNATIVE RATE FILING )

CASE NO. 99-144-114

NOTICE OF ENTRY OF APPEARANCE

Wyatt, Tarrant & Combs hereby gives notice of its entry of appearance on behalf of Big Bear Wastewater, Inc. Please forward any future documents in this matter to undersigned counsel.

Respectfully submitted,



George L. Seay, Jr.  
WYATT, TARRANT & COMBS  
Taylor-Scott Building  
311 West Main Street  
Frankfort, Kentucky 40601-1807

Penny R. Warren  
WYATT, TARRANT & COMBS  
250 West Main Street, Suite 1700  
Lexington, Kentucky 40507-1746

Counsel for Big Bear Wastewater, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of Entry of Appearance was served upon the following individuals, by U.S. mail, postage prepaid, this 13<sup>th</sup> day of July, 1999:

Hon. John David Myles  
413 Sixth Street  
Shelbyville, Kentucky 40065

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

Ms. Janet Caldemeyer, Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, Kentucky 42025

  
\_\_\_\_\_  
Counsel for Big Bear Wastewater, Inc.

COMMONWEALTH OF KENTUCKY  
Before the  
PUBLIC SERVICE COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC. )  
ALTERNATIVE RATE FILING )

CASE NO. 99-144-114

RESPONSE TO MOTION TO RESCHEDULE  
INFORMAL CONFERENCE

Big Bear Wastewater, Inc., by counsel, for its response to the motion to reschedule informal conference, states as follows:

Counsel has no objection to the motion to reschedule the conference currently set for July 15, 1999, to a later date. Undersigned counsel will be out-of-state the week of July 26 and the first part of the week of August 2, if such dates might be avoided.

Respectfully submitted,



George L. Seay, Jr.  
WYATT, TARRANT & COMBS  
Taylor-Scott Building  
311 West Main Street  
Frankfort, Kentucky 40601-1807

Penny R. Warren  
WYATT, TARRANT & COMBS  
250 West Main Street, Suite 1700  
Lexington, Kentucky 40507-1746

Counsel for Big Bear Wastewater, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of Entry of Appearance was served upon the following individuals, by U.S. mail, postage prepaid, this 13<sup>th</sup> day of July, 1999:

Hon. John David Myles  
413 Sixth Street  
Shelbyville, Kentucky 40065

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

Ms. Janet Caldemeyer, Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, Kentucky 42025



Counsel for Big Bear Wastewater, Inc.



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

July 14, 1999

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY. 42025

Honorable John David Myles  
Counsel for The Dens Condominium  
413 Sixth Street  
Shelbyville, KY. 40065

RE: Case No. 99-114

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC.            )  
ALTERNATIVE RATE FILING            )     CASE NO. 99-114

O R D E R

On July 9, 1999, The Dens Condominium Association filed a motion to reschedule the informal conference set for July 15, 1999, at 9:00 a.m., Eastern Daylight Time.

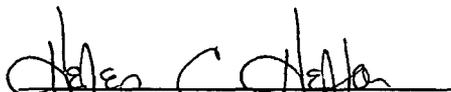
The Commission, having considered the motion and being otherwise sufficiently advised, finds that the motion should be granted.

IT IS THEREFORE ORDERED that the informal conference is rescheduled for July 27, 1999, at 9:00 a.m., Eastern Daylight Time, in Conference Room 2 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 14th day of July, 1999.

By the Commission

ATTEST:

  
Executive Director

*John David Myles*  
*Attorney at Law*

413 SIXTH STREET  
SHELBYVILLE, KENTUCKY 40065

(502) 633-3252

July 8, 1999

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

RECEIVED  
JUL - 9 1999  
PUBLIC SERVICE  
COMMISSION

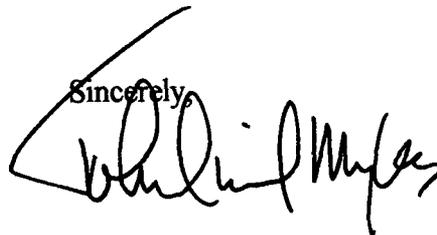
RE: Big Bear Wastewater, Inc.  
Alternative Rate Filing  
Case No. 99-114

Dear Ms. Helton:

Enclosed please find the original and ten copies of the motion of The Dens Condominium Association seeking a postponement of the informal conference scheduled for July 15, 1999.

If I can provide any further information to assist the Commission in its review of this motion, please do not hesitate to call.

Sincerely,



cc: Mr. John Stratman, President  
The Dens Condominium Association

COMMONWEALTH OF KENTUCKY  
Before the  
PUBLIC SERVICE COMMISSION

RECEIVED  
JUL - 9 1999  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

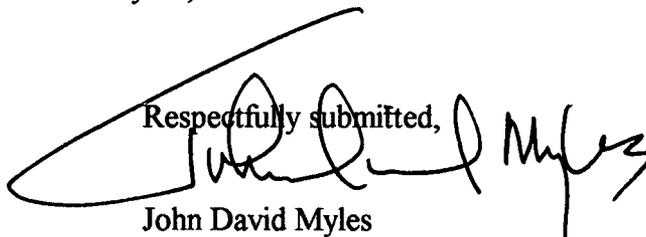
BIG BEAR WASTEWATER, INC. )  
ALTERNATIVE RATE FILING ) CASE No. 99-114

MOTION TO RESCHEDULE INFORMAL CONFERENCE

Comes now The Dens Condominium Association, by counsel, and for its motion states as follows:

By Order dated June 28, 1999, the Commission scheduled an informal conference in this case to be held on July 15, 1999, at 9:00 a.m. at its offices in Frankfort. The Dens would respectfully request that the informal conference be rescheduled as Mr. John Stratman, President of the condominium association will be out of state the week of July 12 through 16. Mr. Stratman is the individual authorized to speak on behalf of the resident members of the association and is most knowledgeable about the matters to be discussed at the informal conference. As a result, it would be an undue hardship upon the intervenor and its other members if the informal conference is held when he is unable to attend. Therefore, The Dens Condominium Association respectfully requests that the informal conference be postponed to a date after July 16, 1999.

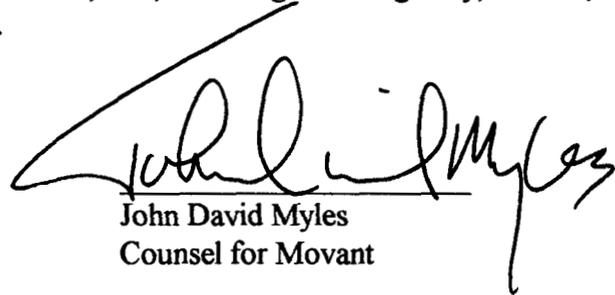
Respectfully submitted,



John David Myles  
Counsel for Movant  
413 Sixth Street  
Shelbyville, Kentucky 40065  
(502) 633-3252

CERTIFICATE OF SERVICE

This is to certify that a true and accurate copy of the foregoing Motion to Reschedule Informal Conference has been mailed, first class postage prepaid to M. Janet Caldemeyer, Vice President, Big Bear Wastewater, Inc., 3499 Big Bear Highway, Benton, Kentucky 42025 this 8th day of July, 1999.



John David Myles  
Counsel for Movant



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

June 28, 1999

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY. 42025

Honorable John David Myles  
Counsel for The Dens Condominium  
413 Sixth Street  
Shelbyville, KY. 40065

RE: Case No. 99-114

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

*Stephanie D. Bell*  
Stephanie Bell  
Secretary of the Commission

SB/sa  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC.            )  
ALTERNATIVE RATE FILING            )     CASE NO. 99-114

O R D E R

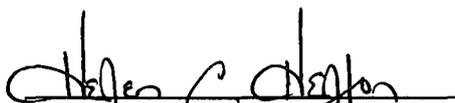
Motion having been made and the Commission being sufficiently advised,

IT IS HEREBY ORDERED that an informal conference shall be held on July 15, 1999 at 9:00 a.m., Eastern Daylight Time, in Conference Room 2 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky to discuss the issues raised by the Intervenor, The Dens Condominium Association, and any other matters that may aid in the disposition of this proceeding.

Done at Frankfort, Kentucky, this 28th day of June, 1999.

By the Commission

ATTEST:

  
Executive Director

*John David Myles*  
*Attorney at Law*

413 SIXTH STREET  
SHELBYVILLE, KENTUCKY 40065

(502) 633-3252

June 12, 1999

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

RECEIVED  
JUN 14 1999  
PUBLIC SERVICE  
COMMISSION

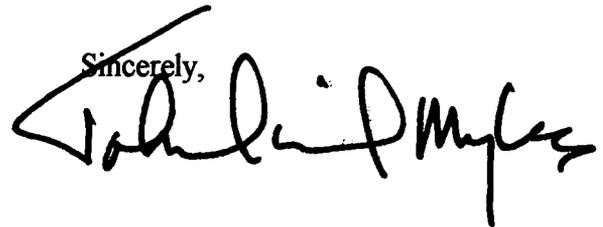
RE: Big Bear Wastewater, Inc.  
Alternative Rate Filing  
Case No. 99-114

Dear Ms. Helton:

Enclosed please find the original and ten copies of the motion of The Dens Condominium Association for an informal conference or in the alternative for a formal hearing in this matter.

If I can provide any further information to assist the Commission in its review of this motion, please do not hesitate to call.

Sincerely,



cc: Mr. John Stratman, President  
The Dens Condominium Association

COMMONWEALTH OF KENTUCKY  
Before the  
PUBLIC SERVICE COMMISSION

RECEIVED  
JUN 14 1999  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC. )  
ALTERNATIVE RATE FILING ) CASE No. 99-114

MOTION FOR INFORMAL CONFERENCE  
OR, IN THE ALTERNATIVE,  
MOTION FOR FORMAL HEARING

Comes now The Dens Condominium Association, by counsel, and for its motion states as follows:

After review of the Commission's June 3, 1999, Order and accompanying Staff Report concerning the proposed rates of Big Bear Wastewater, Inc., the Dens hereby requests that an informal conference be scheduled. The Dens would prefer to reserve the right to request a formal hearing until after the informal conference. However, if the request must be made at this time, the Dens would ask the Commission to consider this motion as a request for a formal hearing.

Although other issues may arise due to investigation and discovery, two issues can be identified at this time which require further consideration by the Commission. The twenty-seven members of the Dens receive a single water bill from the North Marshall Water District. North Marshall bills on a bi-monthly basis and bills per one hundred (100) gallons of usage. Attached to this motion as an exhibit is a billing history for the Dens from North Marshall for the years 1997 and 1998 and the first four months of 1999. Not

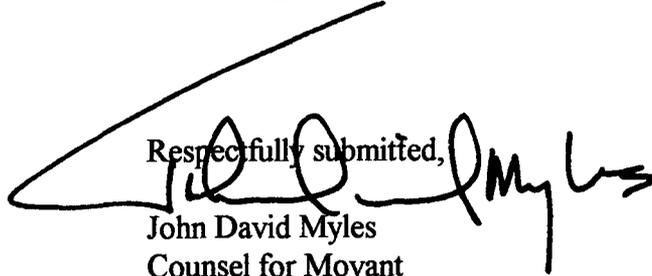
to belabor the point but it is imperative to remember that this is the bill for all 27 members of the Dens and it illustrates and supports the two primary problems with Staff's analysis of Big Bear's rate proposal.

First, members of the association believe that the salaries allowed for Big Bear employees in its prior rate case were based on annualized figures taken from the high usage months for this seasonal community. 46% of the Dens members' 1997 usage occurred in the months of July and August and 45% of 1998 usage occurred in those two months. Usage during the "off-season" of November through April in those years was approximately 16 gallons per day in 1997 and 11 gallons per day in 1998. The Dens believes that usage for other customers of the system would show similar patterns, demonstrating that the salaries paid to Big Bear's employees are too high by at least half. Put another way, during at least half of each year, the place is a ghost town and there is little if anything for the Big Bear employees to do.

The Dens also has serious questions concerning the Staff allocation of depreciation costs. The Staff Report allocated 3,888,000 gallons of capacity per year to the 27 customers of the Dens. In 1997, the total water usage for the 27 units of the Dens was 322,500 gallons and for 1998, the figure was 302,100. These figures are 8.2% and 7.7%, respectively, of the capacity allocated to the Dens customers by Staff. Even during the high usage months of July and August, the Dens members' usage was 23% of the capacity allocated in 1997 and 21% in 1998. While it may be appropriate for the Dens members to be responsible for depreciation for the capacity that they use, it clearly inappropriate and inequitable for them to pay the cost of capacity installed for future development purposes by Big Bear.

For these reasons, the Dens requests that the Commission establish a procedural schedule including a date for an informal conference at which these issues may be discussed, and if necessary, including a date for a formal hearing in this matter.

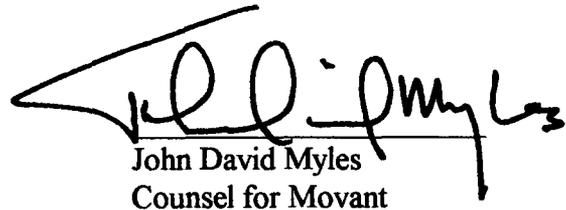
Respectfully submitted,



John David Myles  
Counsel for Movant  
413 Sixth Street  
Shelbyville, Kentucky 40065  
(502) 633-3252

#### CERTIFICATE OF SERVICE

This is to certify that a true and accurate copy of the foregoing Motion for Informal Conference or in the Alternative Motion for Formal Hearing has been mailed, first class postage prepaid to M. Janet Caldemeyer, Vice President, Big Bear Wastewater, Inc., 3499 Big Bear Highway, Benton, Kentucky 42025 this 12th day of June, 1999.



John David Myles  
Counsel for Movant

MAY 13 '99 11:35

MAY-13-99 THU 12:00 PM N MARSHALL WATER

NORTH MARSHALL WATER DISTRICT

tel 05/12/99 11:26

Page: 1

SERVICE LOCATION -- CONSUMPTION HISTORY

=====

Service ID: 000006553545 Current Customer: 05265 DEMS CONDO

>>>> Average Consumption 545 <<<<

Month	* Current Year *		** 1 Year Ago **		** 2 Years Ago **	
	Days	Usage	Days	Usage	Days	Usage
JAN	0	0	0	0	0	0
FEB	62	151	62	172	69	204
MAR	0	0	0	0	0	0
APR	63	226	63	210	58	281
MAY	0	0	0	0	0	0
JUN	0	0	60	553	52	473
JUL	0	0	0	0	9	0
AUG	0	0	65	1,364	66	1,514
SEP	0	0	0	0	0	0
OCT	0	0	61	567	56	482
NOV	0	0	0	0	0	0
DEC	0	0	57	155	58	271
TOT	125	377	368	3,021	359	3,225

7 0 A



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

June 3, 1999

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY. 42025

Honorable John David Myles  
Counsel for The Dens Condominium  
413 Sixth Street  
Shelbyville, KY. 40065

RE: Case No. 99-114

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG BEAR WASTEWATER, )  
INC. FOR A RATE ADJUSTMENT PURSUANT TO ) CASE NO.  
THE ALTERNATIVE RATE FILING PROCEDURE ) 99-114  
FOR SMALL UTILITIES )

ORDER

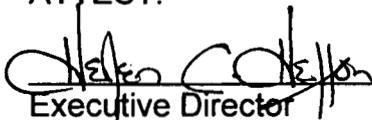
On April 19, 1999, Big Bear Wastewater, Inc. ("Big Bear") filed its application for Commission approval of proposed sewer rates. Commission Staff, having performed a limited financial review of Big Bear's operations, has prepared the attached Staff Report containing Staff's findings and recommendations regarding the proposed rates. All parties should review the report carefully and provide any written comments or requests for a hearing or informal conference no later than 10 days from the date of this Order.

IT IS THEREFORE ORDERED that all parties shall have no more than 10 days from the date of this Order to provide written comments regarding the attached Staff Report or requests for hearing or informal conference. If no request for a hearing or informal conference is received, this case will be submitted to the Commission for a decision.

Done at Frankfort, Kentucky, this 3rd day of June, 1999.

ATTEST:

By the Commission

  
Executive Director

STAFF REPORT

ON

BIG BEAR WASTEWATER, INC.

CASE NO. 99-114

On September 14, 1998, the Public Service Commission ("Commission") received a letter from Big Bear Wastewater, Inc. ("Big Bear") requesting Commission assistance with the preparation of a rate application. Commission Staff ("Staff") provided that assistance by performing a limited financial review of Big Bear's test year operations, the calendar year ending December 31, 1998. The scope of Staff's review was limited to obtaining information as to whether the test period operating revenues and expenses were representative of normal operation. Insignificant or immaterial discrepancies were not pursued and are not addressed herein.

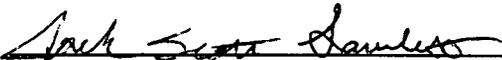
Upon completion of the review, Staff assisted Big Bear in the development and preparation of a rate application. The application included an adjusted pro forma operating income statement wherein adjustments were made to test year operating revenues and expenses that were known and measurable and deemed to be reasonable. The rates proposed in the application were based on the pro forma income statement. The pro forma income statement supports a revenue requirement of \$29,657. The rate proposed to meet that requirement is a flat monthly fee of \$35.99 per customer. The proposed rate is a 22 percent increase over the current monthly fee of \$29.50. The proposed rate was calculated by dividing the revenue requirement of \$29,657 by the total number of pro forma bills of 824. The number of bills was calculated using the test year end number of customers of 73. Of those customers 60

were year round customers and 13 were campsites that were billed for only 8 months of the year. Thus, the calculation appears as follows:  $(60 \times 12) + (13 \times 8) = 824$ .

On March 23, 1999 Big Bear submitted the rate application to the Commission for consideration. The application was considered filed on April 19, 1999, when all filing deficiencies were cured.

The pro forma income statement and explanation of adjustments have been attached to this report as Attachment A. Attachment B details the calculation of the revenue requirement and the recommended rate. Renee Curry is responsible for all revenue adjustments and the calculation of the recommended rate. Scott Lawless is responsible for the determination of the revenue requirement. Based on the information included in this report, Staff is of the opinion that the rate proposed by Big Bear in its application is reasonable and should be approved by this Commission.

Signatures

  
Prepared by: Jack Scott Lawless, CPA  
Financial Analyst, Water and Sewer  
Revenue Requirements Branch  
Division of Financial Analysis

  
Prepared by: Renee Curry  
Rate Analyst, Communications, Water,  
and Sewer Rate Design Branch  
Division of Financial Analysis

**ATTACHMENT A**  
**STAFF REPORT CASE NO. 99-114**  
**BIG BEAR'S REQUESTED AND STAFF'S RECOMMENDED OPERATIONS**

	Test Year	Adjustments	Ref.	Pro forma Present Rates
Sewer Service Revenues	22,629	1,679	A	24,308
<b>Operating Expenses</b>				
<b>Operation and Maintenance</b>				
Salaries and Wages	9,130	446	B	9,576
Sludge Hauling	2,060	(1,220)	C	840
Chemicals	318			318
Materials and Supplies	1,888	(1,138)	D	750
Contractual Services	5,509	(3,096)	E	2,413
Purchased Power	3,592			3,592
Insurance	100	1,589	F	1,689
Miscellaneous	477	466	G	943
Total Operation and Maintenance	23,074	(2,953)		20,121
Depreciation	-	3,965	H	3,965
Taxes Other Than Income	1,252	34	I	1,286
Total Operating Expenses	24,326	1,046		25,372
Net Operating Income	(1,697)	633		(1,064)

ATTACHMENT A  
STAFF REPORT CASE NO. 99-114  
BIG BEAR'S REQUESTED AND STAFF'S RECOMMENDED OPERATIONS

A) Sewer Service Revenues. Big Bear reported test year operating revenues of \$22,629. Staff increased test year revenue to \$24,308 so that pro forma operations at present rates would reflect the number of customers hooked onto the system at the end of the test year. The amount was calculated as follows:

Revenue from full year customers (60 customers x 12 months x \$29.50 current rate)	\$21,240.00
Revenue from seasonal customers (13 customers x 8 months x \$29.50 current rate)	<u>3,068.00</u>
Total	<u>\$24,308.00</u>

B) Salaries and Wages. Test year salaries expense of \$9,130 was increased by \$446 to reflect the following current pay levels:

Dick Eastham (Plant Operator)	\$2,676.00
Robert Eastham (Plant Operator)	1,500.00
Rhonda Brandon (Office)	600.00
Janet Caldemier (Bookkeeping)	1,200.00
Richard Meier (Owner/Manager Fee)	<u>3,600.00</u>
Total	<u>\$9,576.00</u>

The salary levels listed above were approved by this Commission in Big Bear's previous rate case (Case No. 97-245) except for that of Robert Eastham. Robert and Dick Eastham are both certified wastewater plant operators and their combined annual salary was \$4,176. Based on Staff's prior experience with similarly situated small wastewater utilities, Staff is of the opinion that the salary levels included in pro forma operations are reasonable including that of Robert Eastham and recommends that they be accepted in this case.

C) Sludge Hauling. Test year sludge hauling was reported at \$2,060. This amount was excessive relative to the three prior years of operation. Sludge hauling for the years 1997, 1996, and 1995 was reported at \$800, \$0, and \$500, respectively. To normalize

ATTACHMENT A  
STAFF REPORT CASE NO. 99-114  
BIG BEAR'S REQUESTED AND STAFF'S RECOMMENDED OPERATIONS

the test year expense a decreasing adjustment of \$1,220 was made so that pro forma sludge hauling equaled the average annual expense of the four years analyzed. Pro forma sludge hauling of \$840 was calculated as follows:  

$$(\$2,060 + \$800 + \$0 + \$500) / 4 = \$840.$$

D) Materials and Supplies. Included in test year materials and supplies expense was the cost of a motor and sand for a filter in the amounts of \$266 and \$1,157, respectively. These items are not annual expenses and should therefore be amortized. The expected life of each was determined to be five years. A decreasing adjustment to test year expenses of \$1,138 is required to reflect their five-year amortization. The adjustment was calculated as follows:

One phase motor	\$1,157.00
Filter sand	<u>266.00</u>
Total	1,423.00
Divide by: 5 years	<u>5.00</u>
Annual recovery	285.00
Less: Test year	<u>(1,423.00)</u>
Adjustment	<u><u>\$(1,138.00)</u></u>

E) Contractual Services. Test year contractual services expense included \$1,743 directly related to transferring the ownership of the wastewater treatment plant from Big Bear Resort, Inc. ("Resort") to Big Bear in Case No. 98-089. That amount included legal, survey, and accounting fees of \$1,027, \$686, and \$30, respectively. The transfer of the plant was negotiated between related parties and afforded no benefit to the customers of Big Bear. Therefore, all costs related to the transfer have been eliminated from test year operations.

ATTACHMENT A  
STAFF REPORT CASE NO. 99-114  
BIG BEAR'S REQUESTED AND STAFF'S RECOMMENDED OPERATIONS

Also included in test year contractual services were legal fees of \$1,691 that were paid for services related to Big Bear's previous rate case (Case No. 97-245). Rate case expense should not be an annual expense to Big Bear. Therefore, this expense has been amortized over 5 years by decreasing test year expenses by \$1,353. The adjustment was calculated as follows:

Legal fees	\$1,691.00
Divide by: 5 years	<u>5.00</u>
Annual recovery	338.00
Less: Test year	<u>(1,691.00)</u>
Adjustment	<u><u>\$(1,353.00)</u></u>

The net decreasing adjustment to contractual services was \$3,096 (\$1,743+\$1,353).

F) Insurance. Test year expenses did not include an allocation of property and workers compensation insurance. The Resort paid for these expenses. Test year expenses have been increase by \$1,589 to include their allocation. The total included \$1,218 for property insurance and \$371 for workers compensation. R. Barga & Co., Big Bear's insurance carrier, provided the allocated amounts.

G) Miscellaneous. Test year miscellaneous expenses were reported at \$477 and were increased by \$466 to calculate pro forma operating expenses. The \$466 net increase includes the following adjustments:

- 1) Land lease: On September 21, 1998, the Commission issued a Final Order in Case No. 98-089 wherein approval was granted for the Resort to transfer title of the wastewater treatment plant to Big Bear. That Order required Big Bear to file a lease agreement wherein Big Bear would lease

ATTACHMENT A  
STAFF REPORT CASE NO. 99-114  
BIG BEAR'S REQUESTED AND STAFF'S RECOMMENDED OPERATIONS

the land on which the treatment plant is situated from the Resort. The lease was required because title to the land was not being transferred along with the plant. Test year expenses were increased \$600 to reflect the monthly lease payment of \$50.

- 2) Postage: Postage of \$11 was paid to deliver information regarding the transfer case (Case No. 98-089). That amount has been eliminated from test year operations. Refer to item E of this attachment for an explanation of the elimination of expenses related to this transfer case.
- 3) Bad check charge: A \$25 bad check charge was included in test year operations. This charge should be paid by the stockholders of Big Bear and has therefore been eliminated.
- 4) Big Bear maintains two checking accounts for which it paid \$196 for service charges during the test year. One checking account for a utility of Big Bear's size should be adequate. Therefore, half of the service charges, or \$98, were eliminated.

H) Depreciation: Big Bear did not record depreciation expense on the treatment plant during the test year as the title had not been transferred until the latter part of 1998. Now that the plant has been properly transferred to Big Bear, it should be allowed to recover the plant's original cost through rates.

The plant was originally purchased by Big Bear Development, Inc. ("Development") from Purestream, Inc. in 1991 to replace the existing facility. The new plant was to serve Big Bear's existing and future customers. The purchase price was

ATTACHMENT A  
STAFF REPORT CASE NO. 99-114  
BIG BEAR'S REQUESTED AND STAFF'S RECOMMENDED OPERATIONS

originally financed through a capital investment from the Development's stockholders. In 1992 the plant was traded to the Resort in exchange for other real property. In 1998 the Resort sold the plant to Big Bear through the negotiation of an interest bearing note payable in the amount of \$115,849.

Big Bear, the Resort, and the Development are all related parties. Big Bear would have to prove that any expenses resulting from transactions between these parties were performed at "arm's-length" before they could be included in pro forma operations. Staff is of the opinion that the original purchase of the plant was a prudent expenditure and should be given rate consideration. Depreciation calculated on the original purchase price should be allowed since the plant was originally funded through additional paid-in-capital and not through a contribution in aid of construction from the developer or Big Bear's customers. However, no interest expense stemming from the sale of this plant between these related parties should ever be included in revenue requirements. The interest was created through a series of related party transactions that wasn't necessary. Since the stockholders of the Development and Big Bear are the same, the interest charges could have been avoided if the capital to purchase the plant had been initially invested in Big Bear instead of the Development.

To determine the original cost of the plant to be depreciated the original purchase invoices were analyzed. Big Bear presented two invoices from Purestream that totaled \$95,064. Even though plant valued at \$155,659 was recorded in Big Bear's records as a result of the transfer case (Case No. 98-089), pro forma depreciation expense was calculated using the Purestream invoice total since that was the only amount evidenced

ATTACHMENT A  
STAFF REPORT CASE NO. 99-114  
BIG BEAR'S REQUESTED AND STAFF'S RECOMMENDED OPERATIONS

by independent supporting documentation. The estimated useful life of the plant was assumed to be 20 years. The annual depreciation is therefore \$4,753 (\$95,064/20).

Since the new plant was sized to allow for future growth, the annual depreciation to be included in pro forma operations was limited to the plant capacity necessary to serve existing customers only. As new customers are added to the system and charged the rate recommended herein, additional revenue will be generated to cover the additional capacity used. The calculation is as follows:

Plant capacity (gallons per day)	35,000.00
Divide by: Gallons per day per customer	<u>400.00</u>
Maximum number of customers	88.00
Current number of customers	<u>73.00</u>
Percent of capacity reserved (73/88)	83.43%
Times: Annual depreciation	<u>4,753.00</u>
Adjustment	<u><u>\$3,965.00</u></u>

l) Taxes Other Than Income. Test year expenses have been adjusted to reflect additional payroll taxes that will be paid as a result of the salaries adjustment. The tax adjustment was calculated as follows:

Salaries adjustment	\$446.00
Times: FICA rate	<u>7.65%</u>
Adjustment	<u><u>\$34.00</u></u>

ATTACHMENT B  
STAFF REPORT CASE NO. 99-114  
CALCULATION OF REVENUE REQUIREMENT AND RECOMMENDED RATE

CALCULATION OF ANNUAL REVENUE REQUIREMENT

Pro forma operating expenses before taxes	25,372
Divide by: Operating ratio	<u>88%</u>
Total revenue required before taxes	28,832
Less: Pro forma operating expenses before taxes	<u>(25,372)</u>
Net income allowed after taxes	3,460
Multiply by: Tax gross up factor	<u>123.8390%<sup>1</sup></u>
Net operating income before taxes	4,284
Plus: Operating expenses before taxes	<u>25,372</u>
Revenue Requirement	<u><u>29,657</u></u>

<sup>1</sup> Revenue	100.00000%
Less: State tax	<u>5.00000%</u>
Sub-total	95.00000%
Less: Federal tax, 15% of sub-total	<u>14.25000%</u>
Percent change in NOI	<u>80.75000%</u>
Revenue conversion factor (Revenue of 1 divided by percent change in NOI)	<u><u>123.83901%</u></u>

CALCULATION OF RECOMMENDED RATE

Revenue Requirement	\$29,657.00
Divide by: Pro forma number of bills, (60x12)+(13x8)	<u>824.00</u>
Recommended Rate	<u><u>\$35.99</u></u>



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

May 19, 1999

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY. 42025

Honorable John David Myles  
Counsel for The Dens Condominium  
413 Sixth Street  
Shelbyville, KY. 40065

RE: Case No. 99-114

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/sh  
Enclosure



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG BEAR WASTEWATER, )  
INC. FOR AN ADJUSTMENT OF RATES PURSUANT ) CASE NO.  
TO THE ALTERNATIVE RATE FILING PROCEDURE ) 99-114  
FOR SMALL UTILITIES )

O R D E R

This matter arising upon the motion of The Dens Condominium Association ("The Dens"), filed May 12, 1999, for full intervention, and it appearing to the Commission that The Dens has a special interest which is not otherwise adequately represented, and that such intervention is likely to present issues and develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings, and this Commission being otherwise sufficiently advised,

IT IS HEREBY ORDERED that:

1. The motion of The Dens to intervene is granted.
2. The Dens shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.
3. Should The Dens file documents of any kind with the Commission in the course of these proceedings, it shall also serve a copy of said documents on all other parties of record.

Done at Frankfort, Kentucky, this 19th day of May, 1999.

By the Commission

ATTEST:

  
Executive Director

*John David Myles*  
*Attorney at Law*

413 SIXTH STREET  
SHELBYVILLE, KENTUCKY 40065

(502) 633-3252

May 11, 1999

RECEIVED

MAY 12 1999

PUBLIC SERVICE  
COMMISSION

Hon. Helen C. Helton  
Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40601

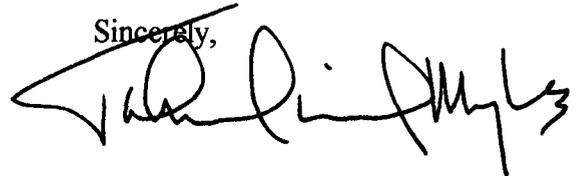
RE: Big Bear Wastewater, Inc.  
Alternative Rate Filing  
Case No. 99-114

Dear Ms. Helton:

Enclosed please find the motion of The Dens Condominium Association for full intervention in the above-referenced case before the Commission.

If I can provide any further information to assist the Commission in its review of this motion, please do not hesitate to call.

Sincerely,



cc: Mr. John Stratman, President  
The Dens Condominium Association

COMMONWEALTH OF KENTUCKY  
Before the  
PUBLIC SERVICE COMMISSION

In the Matter of:

BIG BEAR WASTEWATER, INC. )  
ALTERNATIVE RATE FILING )      CASE No. 99-114

RECEIVED

MAY 12 1999

MOTION FOR FULL INTERVENTION

PUBLIC SERVICE  
COMMISSION

Comes now The Dens Condominium Association, by counsel, and for its motion states as follows:

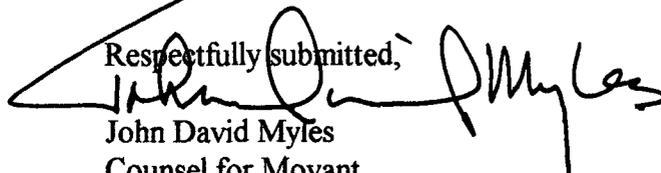
The Dens, a condominium association, whose president is John Stratman whose address is 410 Main Street, Evansville, Indiana 47708, hereby requests full intervention pursuant to 807 KAR 5:001, Subsection 3(8) in Alternative Rate Filing, Case No. 99-114.

The members of the condominium association are the owners of 27 residential units served by the applicant and will therefore be required to pay the increased rates proposed by Big Bear if they are approved by the Commission. As a result, the members of the association have a vital interest in the issues the Commission is considering in this case..

The interests of the association members will not otherwise be adequately represented as there is not currently a party similarly situated participating in this proceeding. The association is prepared to present issues and develop facts relating to the necessity of the increased rates which will assist the Commission in fully addressing the matters outlined in the rate request. Intervention by the association will not unduly complicate or disrupt this proceeding.

Therefore, The Dens Condominium Association respectfully requests that the Commission grant it full intervention and full rights of a party in this proceeding.

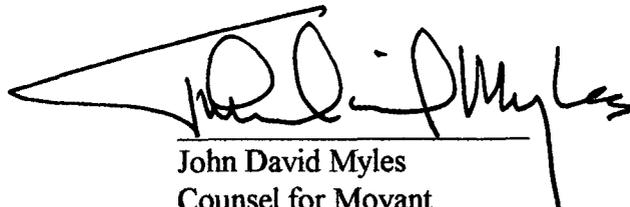
Respectfully submitted,



John David Myles  
Counsel for Movant  
413 Sixth Street  
Shelbyville, Kentucky 40065  
(502) 633-3252

#### CERTIFICATE OF SERVICE

This is to certify that a true and accurate copy of the foregoing Motion for Full Intervention has been mailed, first class postage prepaid to M. Janet Caldemeyer, Vice President, Big Bear Wastewater, Inc., 3499 Big Bear Highway, Benton, Kentucky 42025 this 11th day of May, 1999.



John David Myles  
Counsel for Movant



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

April 26, 1999

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY 42025

Re: Case No. 99-114  
Filing Deficiencies

Dear Ms. Caldemeyer:

The Commission is in receipt of your April 19, 1999 response to the deficiency letter dated April 12, 1999. Pursuant to KRS 278.185 sewer utilities shall, when submitting an application for a rate change, notify all of its customers of the application. Big Bear's application states that it has 73 customers. The Commission is unable to determine from the letter filed on April 19, 1999 whether notice has been sent to all customers. While it is unnecessary for the Commission to receive a copy of every letter sent, you must provide the Commission with sufficient evidence to show that public notice has been sent to all customers and the contents of the notice. If you have any questions, regarding this letter please contact Anita Mitchell, staff attorney, at 502-564-3940 extension 258.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

sh





COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
 730 SCHENKEL LANE  
 POST OFFICE BOX 615  
 FRANKFORT, KENTUCKY 40602  
 www.psc.state.ky.us  
 (502) 564-3940  
 Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

April 12, 1999

*Public Notices mailed  
 & copies enclosed*

M. Janet Caldemeyer  
 Vice President  
 Big Bear Wastewater, Inc.  
 3499 Big Bear Highway  
 Benton, KY 42025

Re: Case No. 99-114  
 Filing Deficiencies

RECEIVED  
 APR 19 1999  
 PUBLIC SERVICE  
 COMMISSION

Dear Ms. Caldemeyer:

The Commission staff has conducted an initial review of your filing in the above case. This filing is rejected pursuant to 807 KAR 5:001, Section 2, as it is deficient in certain filing requirements. The items listed below are either required to be filed with the application or must be referenced if they are already on file in another case or will be filed at a later date.

Filing deficiencies pursuant to 807 KAR 5011:

- 1) Section 9(2): Is copy of public notice included?
- 2) 807 KAR 5:076, Section 4: If copy of public notice is included, did it meet requirements? (For sewers, direct mailing is required. See KRS 278.185)

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. You are requested to file 10 copies of this information within 15 days of the date of this letter.





COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

May 7, 1999

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY. 42025

RE: Case No. 99-114  
BIG BEAR WASTEWATER, INC.

The Commission staff has reviewed your response of April 19, 1999 and has determined that your application in the above case now meets the minimum filing requirements set by our regulations. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further information, please contact my staff at 502/564-3940.

Sincerely,

*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission

SB/sh  
Enclosure

RECEIVED

MAR 23 1999

PUBLIC SERVICE  
COMMISSION

APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

For Small Utilities  
Pursuant to 807 KAR 5:076  
(Alternative Rate Filing)

Case  
99-114

Big Bear Wastewater, Inc.

Name of Utility

3499 Big Bear Highway

Benton, Kentucky 42025

Business Mailing Address

Telephone Number ~~(502) 354 6414~~ (502) 354 6414  
Area Code Number

FILED

APR 19 1999

PUBLIC SERVICE  
COMMISSION

I. Basic Information

NAME, TITLE, ADDRESS and telephone number of the person to whom correspondence or communications concerning this application should be directed:

NAME: M. Janet Caldemeyer VP

Address: Same as above

Telephone Number: Same as above

- |  |            |    |
|--|------------|----|
| 1) Do you have 500 customers or fewer?   | <u>Yes</u> | No |
| 2) Do you have \$300,000 in Gross Annual Revenue or less?  | <u>Yes</u> | No |
| 3) Has the utility filed an annual report with this Commission for the past year and the two previous years? | <u>Yes</u> | No |
| 4) Are the utility's records kept separate from any other commonly-owned enterprise?                         | <u>Yes</u> | No |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

**BIG BEAR WASTEWATER, INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025  
502-354-6414**

April 15, 1999

Big Bear Resorts, Inc.  
30 Big Bear Resort Rd.  
Benton, KY 42025

**RE: PROPOSED RATE CHANGE FOR SEWER FEE**

Rick:

Big Bear Wastewater, Inc. will be changing the rate on the treatment plant to \$35.99 per unit. This fee will apply to all units. We have applied to the Public Service Commission for a rate change and they have preliminary reviewed our documentation and recommended this rate.

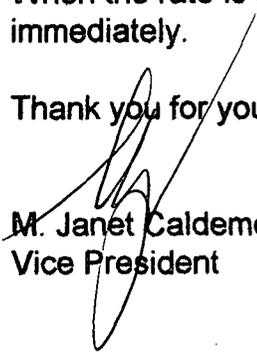
The rates contained in this notice are the rates proposed by Big Bear Wastewater, Inc. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this letter.

Any corporation, association, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate change given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 730 Schenkel Lane, P.O. Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the movant.

Copies of the application may be obtained, at no charge, from Big Bear Wastewater, Inc., 3499 Big Bear Highway, Benton, KY 42025. Upon request from the intervenor, the applicant shall furnish, to the intervenor, a copy of the application and supporting documents.

When the rate is approved by the Public Service Commission, it will go into effect immediately.

Thank you for your cooperation on this matter.



M. Janet Caldemeyer  
Vice President

**BIG BEAR WASTEWATER, INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025  
502-354-6414**

RECEIVED  
APR 19 1999  
PUBLIC SERVICE  
COMMISSION 114

April 15, 1999

John Stratman, President  
The Dens Condominium Association  
401 Main Street  
Evansville, In 47708

**RE: PROPOSED RATE CHANGE FOR SEWER FEE**

John:

Big Bear Wastewater, Inc. will be changing the rate on the treatment plant to \$35.99 per unit. This fee will apply to all A, B, C, D, & E units. We have applied to the Public Service Commission for a rate change and they have preliminary reviewed our documentation and recommended this rate.

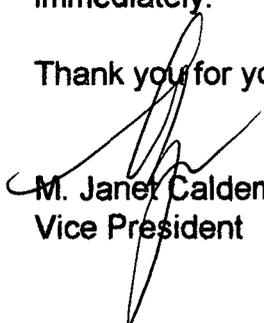
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Copies of the application may be obtained, at no charge, from Big Bear Wastewater, Inc., 3499 Big Bear Highway, Benton, KY 42025. Upon request from the intervenor, the applicant shall furnish, to the intervenor, a copy of the application and supporting documents.

Please inform the members of the Dens Condominium Association of this proposed rate change. When it is approved by the Public Service Commission, it will go into effect immediately.

Thank you for your cooperation on this matter.



M. Janet Caldemeyer  
Vice President

BIG BEAR WASTEWATER, INC.  
3499 BIG BEAR HIGHWAY  
BENTON, KY 42025  
502-354-6414

RECEIVED  
APR 19 1999  
PUBLIC SERVICE  
COMMISSION  
99-114  
12m

April 15, 1999

RECEIVED

APR 19 1999

GENERAL COUNSEL

~~Treetops Condominium Association~~  
3499 Big Bear Highway  
Benton, KY 42025

**RE: PROPOSED RATE CHANGE FOR SEWER FEE**

Rick:

Big Bear Wastewater, Inc. will be changing the rate on the treatment plant to \$35.99 per unit. This fee will apply to all A, B, C, & D units. We have applied to the Public Service Commission for a rate change and they have preliminary reviewed our documentation and recommended this rate.

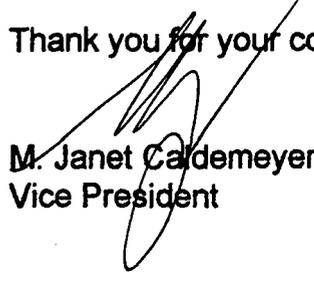
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Any corporation, association, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate change given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 730 Schenkel Lane, P.O. Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the movant.

Copies of the application may be obtained, at no charge, from Big Bear Wastewater, Inc., 3499 Big Bear Highway, Benton, KY 42025. Upon request from the intervenor, the applicant shall furnish, to the intervenor, a copy of the application and supporting documents.

Please inform all members of the proposed rate change. When the rate is approved by the Public Service Commission, it will go into effect immediately.

Thank you for your cooperation on this matter.



M. Janet Caldemeyer  
Vice President



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

April 12, 1999

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY 42025

Re: Case No. 99-114  
Filing Deficiencies

Dear Ms. Caldemeyer:

The Commission staff has conducted an initial review of your filing in the above case. This filing is rejected pursuant to 807 KAR 5:001, Section 2, as it is deficient in certain filing requirements. The items listed below are either required to be filed with the application or must be referenced if they are already on file in another case or will be filed at a later date.

Filing deficiencies pursuant to 807 KAR 5011:

- 1) Section 9(2): Is copy of public notice included?
- 2) 807 KAR 5:076, Section 4: If copy of public notice is included, did it meet requirements? (For sewers, direct mailing is required. See KRS 278.185)

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. You are requested to file 10 copies of this information within 15 days of the date of this letter.



If you need further information, please contact Anita Mitchell of my staff at (502)564-3940, ext. 258.

Sincerely,



Stephanie Bell  
Secretary of the Commission

sa





COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

March 25, 1999

M. Janet Caldemeyer  
Vice President  
Big Bear Wastewater, Inc.  
3499 Big Bear Highway  
Benton, KY. 42025

RE: Case No. 99-114  
BIG BEAR WASTEWATER, INC.  
(Rates - ARF)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received March 23, 1999 and has been assigned Case No. 99-114. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

  
Stephanie Bell  
Secretary of the Commission

SB/jc

RECEIVED

MAR 23 1999

PUBLIC SERVICE  
COMMISSION

APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

For Small Utilities  
Pursuant to 807 KAR 5:076  
(Alternative Rate Filing)

Case  
99-114

Big Bear Wastewater, Inc.

Name of Utility

3499 Big Bear Highway

FILED

Benton, Kentucky 42025

Business Mailing Address

APR 19 1999

Telephone Number ~~(606) 354-8444~~ (502) 354 6414  
Area Code Number

PUBLIC SERVICE  
COMMISSION

I. Basic Information

NAME, TITLE, ADDRESS and telephone number of the person to whom  
correspondence or communications concerning this application should  
be directed:

NAME: M. Janet Caldemeyer VP

Address: Same as above

Telephone Number: Same as above

- |    |   |            |    |
|----|---|------------|----|
| 1) | Do you have 500 customers or fewer?   | <u>Yes</u> | No |
| 2) | Do you have \$300,000 in Gross Annual Revenue or less?  | <u>Yes</u> | No |
| 3) | Has the utility filed an annual report with this Commission for the past year and the two previous years? | <u>Yes</u> | No |
| 4) | Are the utility's records kept separate from any other commonly-owned enterprise?                         | <u>Yes</u> | No |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

II. Increased Cost Information

- (1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for this rate revision is the one filed with the Commission for the 12 months ending December 31, 1998. 1998 financial info. used but A/R not yet filed with Commission.
- a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

<u>Item Per</u> <u>Annual Report</u>	<u>Amount Per</u> <u>Annual Report</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Adjusted</u> <u>Amount</u>
<u>Revenue</u>	\$ _____	\$ _____	\$ _____
Total Revenue	\$ _____	\$ _____	\$ _____

Expense

See Attachment A

Total Expense	\$ _____	\$ _____	\$ _____
Revenue Less Expense	\$ _____	\$ _____	\$ _____

- b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

See Attachment A "Explanation of Adjustments to Test Year Operations".

- c. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

<u>Customer Class</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
-----------------------	----------------------	-----------------------	-------------------------

See Attachment B

III. Other Information

a. Please complete the following questions:

- 1) Please describe any events or occurrences which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

N/A

- 2) Total number of customers as of the date of filing: 73
- 3) Total amount of increased revenue requested: See Attachment A
- 4) Please circle Yes or No:

- a) Does the utility have outstanding indebtedness?

Yes      No

If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc.

Outstanding debt owed to Big Bear Resort, Inc. an affiliated company.

- b) Were all revenues and expenses listed in the Annual Report for 19~~98~~<sup>99</sup> incurred and collected from January 1 to December 31 of that year?

Yes      No

If no, list total revenue and total expense incurred prior to or subsequent to this period and attach invoices or other analysis which show how amounts were calculated.

- 5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 1998 and the amount shown on this schedule.
- 6) See Attachment A item H. Invoices supporting plant have been filed in this case.  
If utility is a sewer utility:
  - a) Attach a copy of the latest State and Federal Income Tax Returns.
  - b) How much of the utility plant was recovered through the sale of lots or other contributions 0%  
\$ or %? (If unknown, state the reason.)

b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

Utility's last rate increase was granted in Commission Case No. 97-245. Utility was not allowed to recover plant costs in that case. The plant has been transferred to the wastewater corp. and should be included in the rates approved in this case.

#### IV. Billing Analysis

The billing analysis is the chart reflecting the usage by the customers as well as the revenue generated by a specific level of rates. A billing analysis of both the current and proposed rates is mandatory for analysis of this rate filing. The following is a step-by-step description which may be used to complete the billing analysis. A completed sample of a billing analysis is also included. Although the sample reflects water usage, it is equally applicable for gas companies using a declining block rate design. This billing analysis is not intended for companies using a flat rate design.

a. Usage Table (Usage by Rate Increment)

Information needed to complete the usage table should be obtained from the meter books or other available usage records. The usage table is used to spread total usage into the proper incremental rate step.

Column No. 1 is the incremental steps in the present or proposed rate schedule for which the analysis is being made. Column No. 2 is the number of bills in each incremental rate step. Column No. 3 is the total gallons used in each incremental rate step. Column Nos. 4, 5, 6, 7, 8, and 9 are labeled to correspond to the incremental rate steps shown in Column No. 1 and contain the actual number of gallons used in each incremental rate step.

Example for completing Usage Table is as follows:

Column No. 1 is incremental rate steps.

Columns numbered 2 and 3 are completed by using information obtained from usage records.

Columns numbered 4, 5, 6, 7, 8, and 9 are completed by the following steps:

Step 1: 1st 2,000 gallons minimum bill rate level  
432 Bills  
518,400 gallons used  
All bills use 2,000 gallons or less, therefore,  
all usage is recorded in Column 4.

Step 2: Next 3,000 gallons rate level  
1,735 Bills  
4,858,000 gallons used  
1st 2,000 minimum x 1,735 bills = 3,470,000  
gallons - record in Column 4  
Next 3,000 gallons - remainder of water over  
2,000 = 1,388,000 - record in Column 5

Step 3: Next 10,000 gallons rate level  
 1,830 Bills  
 16,268,700 gallons used  
 1st 2,000 minimum x 1,830 bills = 3,660,000  
 gallons - record in Column 4  
 Next 3,000 gallons x 1,830 bills = 5,490,000  
 gallons - record in Column 5  
 Next 10,000 gallons - remainder of water over 3,000  
 = 7,118,700 gallons - record in Column 6

Step 4: Next 25,000 gallons rate level  
 650 Bills  
 15,275,000 gallons used  
 1st 2,000 minimum x 650 bills = 1,300,000  
 gallons - record in Column 4  
 Next 3,000 gallons x 650 bills = 1,950,000  
 gallons - record in Column 5  
 Next 10,000 gallons x 650 bills = 6,500,000  
 gallons - record in Column 6  
 Next 25,000 gallons - remainder of water over 10,000  
 = 5,525,000 gallons - record in Column 7

Step 5: Over 40,000 gallons rate level  
 153 Bills  
 9,975,600 gallons used  
 1st 2,000 minimum x 153 bills = 306,000  
 gallons - record in Column 4  
 Next 3,000 gallons x 153 bills = 459,000  
 gallons - record in Column 5  
 Next 10,000 gallons x 153 bills = 1,530,000  
 gallons - record in Column 6  
 Next 25,000 gallons x 153 bills = 3,825,000  
 gallons - record in Column 7  
 Over 40,000 gallons - remainder of water over 25,000  
 = 3,855,600 gallons - record in Column 8

Step 6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains revenue produced.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

b. An original and 10 copies of the completed application should be sent to:

Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
P. O. Box 615  
Frankfort, Kentucky 40602

Telephone: 502/564-3940

c. One copy of the completed application should also be sent at the same time to:

Public Service Litigation Branch  
Office of the Attorney General  
Post Office Box 2000  
Frankfort, Kentucky 40602-2000

- 2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.
- 3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502/564-3940.
- 4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed \_\_\_\_\_

Officer of the Company

Title \_\_\_\_\_

Date \_\_\_\_\_

ATTACHMENT A

PRO FORMA OPERATING STATEMENT

	Test Year	Adjustments	Ref.	Pro forma Present Rates	Adjustments	Pro forma Proposed Rates
Sewer Service Revenues	22,629	1,679	A	24,308	5,349	29,657
<b>Operating Expenses</b>						
<b>Operation and Maintenance</b>						
Salaries and Wages	9,130	446	B	9,576		9,576
Sludge Hauling	2,060	(1,220)	C	840		840
Chemicals	318			318		318
Materials and Supplies	1,888	(1,138)	D	750		750
Contractual Services	5,509	(3,096)	E	2,413		2,413
Purchased Power	3,592			3,592		3,592
Insurance	100	1,589	F	1,689		1,689
Miscellaneous	477	466	G	943		943
Total Operation and Maintenance	23,074	(2,953)		20,121	-	20,121
Depreciation	-	3,965	H	3,965		3,965
Taxes Other Than Income	1,252	34	I	1,286		1,286
Total Operating Expenses	24,326	1,046		25,372	-	25,372
Net Operating Income	<u>(1,697)</u>	633		<u>(1,064)</u>	5,349	<u>4,284</u>

CALCULATION OF ANNUAL REVENUE REQUIREMENTS

Pro forma operating expenses before taxes	25,372
Divide by: Operating ratio	<u>88%</u>
Total revenue required before taxes	28,832
Less: Pro forma operating expenses before taxes	<u>(25,372)</u>
Net income allowed after taxes	3,460
Multiply by: Tax gross up factor	<u>123.8390%</u> <sup>1</sup>
Net operating income before taxes	4,284
Plus: Operating expenses before taxes	<u>25,372</u>
Revenue Requirement	<u><u>29,657</u></u>

<sup>1</sup> Revenue	100.00000%
Less: State tax	<u>5.00000%</u>
Sub-total	95.00000%
Less: Federal tax, 15% of sub-total	<u>14.25000%</u>
Percent change in NOI	<u>80.75000%</u>
Revenue conversion factor (Revenue of 1 divided by percent change in NOI)	<u><u>123.83901%</u></u>

ATTACHMENT A  
EXPLANATION OF ADJUSTMENTS TO TEST YEAR EXPENSES

A  
To normalize test year revenues.

Number of annual pro forma bills	824
Times: Present rate	<u>29.50</u>
Pro forma present rate revenue	24,308
Less: Test year	(22,629)
Adjustment	<u><u>1,679</u></u>

B  
To adjust payroll to pro forma level.

	Monthly Pay	Annualize	Pro forma
Employee			
Dick Eastham	223	12	2,676
Robert Eastham	125	12	1,500
Rhonda Brandon	50	12	600
Janet Caldemier	100	12	1,200
Richard Meier	300	12	<u>3,600</u>
Pro forma			9,576
Less: Test year			(9,130)
Adjustment			<u><u>446</u></u>

C  
To adjust sludge hauling to the average annual cost of the past four years as the test year expense was unusually high.

Year	Cost
1998	2,060
1997	800
1996	-
1995	<u>500</u>
Total	3,360
Divide by: 4	<u>4</u>
Annual Recovery	840
Less: Test year	(2,060)
Adjustment	<u><u>(1,220)</u></u>

ATTACHMENT A

EXPLANATION OF ADJUSTMENTS TO TEST YEAR EXPENSES

D

To adjust test year materials and supplies expense to reflect the five year amortization of the cost of a motor and filter sand. The estimated useful life of these items is five years.

Cost of filter sand purchased during test year	1,157
Cost of motor purchased during test year	<u>266</u>
Total to amortize	1,423
Divide by: 5 years	<u>5</u>
Annual recovery	285
Less: Test year	(1,423)
Adjustment	<u><u>(1,138)</u></u>

E

The following summarizes the adjustments made to test year Contractual Services: Through Commission Case No. 98-089 the title of the wastewater treatment plant was transferred from Big Bear Resort, Inc. to Big Bear Wastewater, Inc. The transfer was an administrative procedure initiated by the corporation's stockholders. The transfer wasn't necessary for the continued operation of the wastewater treatment plant nor did it provide any benefit to the users of the system. Therefore, all costs associated with the transfer has been eliminated from test year operations as they shall be paid by the stockholders of the wastewater plant.

Test year legal fees associated with transfer case	(1,027)
Test year survey fees associated with transfer case	(686)
Test year accting fees pd. to Dawn's Unlimited for transfer case	(30)
Adjustment	<u><u>(1,743)</u></u>

Legal fees paid in 1998 for rate case expense totaled \$1,691.11. This amount was amortized over five years.

Rate case expense	1,691
Divide by: 5	<u>5</u>
Annual recovery	338
Less: Test year	(1,691)
Adjustment	<u><u>(1,353)</u></u>
Total Adjustment	<u><u>(3,096)</u></u>

ATTACHMENT A

EXPLANATION OF ADJUSTMENTS TO TEST YEAR EXPENSES

F

Test year insurance was increased to include the Wastewater's share of the total property and workers compensation insurance premium paid by the Resort.

Property insurance	1,218
Workers compensation	371
Adjustment	<u>1,589</u>

G

To adjust miscellaneous expenses to include monthly land lease payments and to eliminate postage for transfer case (see the contractual services adjustment for an explanation as to why expenses incurred due to the transfer case were eliminated), bad check charges, and bank service charges from one of the sewer's two bank accounts.

Title to the land owned by the resort corp. upon which the new treatment plant sits was not transferred to the wastewater corp. during the sale of the plant. Instead, a lease was negotiated between the two parties. Test year expenses have been adjusted to include the \$50 per month lease payment.

Title to the land wasn't transferred to the wastewater corp. because the commercial recreation deed held on the resort's property requires all property title transfers to be approved by the Tennessee Valley Authority. Approval of such requests in the past has taken up to 2 years to complete and was quite costly. To avoid this procedure the resort decided to lease the land and include the lease payment in the expenses of the wastewater corp. This is reasonable because the cost of the land would have been recoverable by the wastewater corp. had the land been sold. The amount of the lease payment is reasonable based on the value of the land.

Annual lease payment	<u>600</u>
Postage for transfer case	<u>(11)</u>
Bad check charges should be paid by the stockholders of the utility and have therefore been eliminated from test year expenses.	
Total Charges	<u>(25)</u>

It is unreasonable for Big Bear Wastewater's customers to pay for maintaining two separate bank accounts. One account is sufficient for a utility of Big Bear's size. Therefore, half of the bank service charges paid during the test year have been eliminated.

Half of the test year bank service charges	<u>(98)</u>
Total Adjustment	<u>466</u>

ATTACHMENT A  
EXPLANATION OF ADJUSTMENTS TO TEST YEAR EXPENSES

H

During 1991 a development corp. affiliated with Big Bear Wasterwater, Inc. purchased a wastewater treatment plant to serve the Big Bear Resort area. In 1992 the plant was traded to the resort corp. and was subsequently sold to the wastewater corp. in 1998. The new plant replaced an old existing plant that had become inefficient and was operating at maximum capacity. The Division of Water instructed the replacement of the plant.

The new plant was purchased not only to serve customers on-line at the time it was installed but also to serve future development areas of the resort. Gradually, new customers have come on-line and will continue to come on-line as the development corp. continues to build and sell condominiums. The sewer plant has the capacity to serve 88 residential customers but currently serves only 73. For rate-making purposes depreciation has been calculated on a per customer basis and included in *pro forma* expenses only to the extent of the number of customers currently on-line. This approach will allow current and future customers to pay for their share of the plant capacity. As each new customer comes on-line and pays the rate proposed herein, the utility will recover the plant depreciation associated with serving that customer.

Total plant cost	95,064
Depreciate over 20 years	20
Full Annual recovery	4,753
Plant capacity (gallons per day)	35,000
Divide by: Gallons per day reserved per customer	400
Maximum number of customers to be served	88
Customers currently served	73
Percent of plant capacity in service (73/88)	83.43%
Amount of annual recovery allowed ( $\$4,753 \times .8343$ )	3,965

I

To increase FICA expenses to reflect the test year payroll increase.

Payroll adjustment	446
Times: 7.65%	7.65%
Adjustment	34

ATTACHMENT B

	Current	Proposed	Increase	Percent Increase
Residential Monthly Rate	\$ 29.50	\$ 35.99	\$ 6.49	22%